

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE**

**BOROUGH OF BRADLEY BEACH**

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

**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Presented by**

**Gail Krzyzczuk  
Chief Financial Officer  
Borough of Bradley Beach**

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# Borough of Bradley Beach

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Bradley Beach NJ 07720 -1089  
[www.bradleybeachnj.gov](http://www.bradleybeachnj.gov)

Gary Engelstad, Mayor  
Anthony J. Muscillo, Interim Administrator  
Kelly Barrett, Municipal Clerk

June 30, 2017

The Comprehensive Annual Financial Report for the Borough of Bradley Beach, County of Monmouth, State of New Jersey for the years ended December 31, 2016 and 2015 is submitted herewith and includes financial statements, supplemental schedules and other information. I believe it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Bradley Beach as measured by the financial activity of its various funds and account group; and that all disclosures necessary to enable the reader to gain an understanding of the Borough's financial affairs have been included.

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

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

## **PRESENT AND FUTURE CHALLENGES**

In 2016, our Current Fund, which encompasses the general government functions of the Borough, had revenues exclusive of surplus utilized of \$9,489,496.77, expenditures of \$9,371,946.50 and an increase of \$117,550.27 in fund balance at year-end. The Current Fund revenues increased \$265,001.36 or 2.65% from 2015 levels. Below is a comparison of the Current Fund revenues.

|                                     | 2016             | 2015             | Increase/<br>(Decrease) | %       |
|-------------------------------------|------------------|------------------|-------------------------|---------|
| Local Sources:                      |                  |                  |                         |         |
| Surplus Utilized                    | \$ 785,567.92    | \$ 735,626.60    | \$ 49,941.32            | 6.79    |
| Taxes (1)                           | 7,153,782.76     | 6,998,103.98     | 155,678.78              | 2.22    |
| Delinquent Taxes                    | 168,781.10       | 202,168.19       | (33,387.09)             | (16.51) |
| Miscellaneous (3)                   | 1,206,558.72     | 1,185,467.64     | 21,091.08               | 1.78    |
| Non-budget Revenues/Other Items (4) | 550,505.32       | 482,658.76       | 67,846.56               | 14.06   |
| Total Revenues from Local Sources   | 9,865,195.82     | 9,604,025.17     | 261,170.65              | 2.72    |
| State Aid (2)                       | 355,290.00       | 355,290.00       |                         |         |
| State and Federal Grants (2)        | 54,578.87        | 50,748.16        | 3,830.71                | 7.55    |
| Total Current Fund Revenues         | \$ 10,275,064.69 | \$ 10,010,063.33 | \$ 265,001.36           | 2.65    |

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 2016 from 2015 was approximately 2.31% as follows. This was mainly driven by expenditure increases in the areas of capital improvements and public works expenditures offset by decreases in debt service and public safety. Below is a comparison of the Current Fund expenditures.

|  | 2016                   | 2015                   | Increase/<br>(Decrease) | %            |
|--|------------------------|------------------------|-------------------------|--------------|
| General Government                             | \$ 901,619.64          | \$ 885,829.30          | \$ 15,790.34            | 1.78         |
| Land Use                                       | 29,474.18              | 29,291.36              | 182.82                  | 0.62         |
| Code Enforcement                               | 94,191.06              | 87,534.03              | 6,657.03                | 7.61         |
| Insurance                                      | 1,247,878.00           | 1,198,072.00           | 49,806.00               | 4.16         |
| Public Safety                                  | 2,430,916.58           | 2,497,503.98           | (66,587.40)             | (2.67)       |
| Public Works                                   | 1,044,680.48           | 944,424.52             | 100,255.96              | 10.62        |
| Health and Human Services                      | 23,010.00              | 24,860.00              | (1,850.00)              | (7.44)       |
| Parks and Recreation                           | 184,811.00             | 154,400.00             | 30,411.00               | 19.70        |
| Library  | 377,733.26             | 363,238.24             | 14,495.02               | 3.99         |
| Utility Expenses and Bulk Purchases            | 261,125.00             | 270,125.00             | (9,000.00)              | (3.33)       |
| Contingent                                     | 3,700.00               | 3,700.00               |                         |              |
| Deferred Charges and<br>Statutory Expenditures | 905,763.49             | 875,899.88             | 29,863.61               | 3.41         |
| State and Federal Grants                       | 70,578.87              | 60,748.16              | 9,830.71                | 16.18        |
| Capital Improvements                           | 220,000.00             | 82,500.00              | 137,500.00              | 166.67       |
| Debt Service                                   | 1,217,086.85           | 1,326,388.95           | (109,302.10)            | (8.24)       |
| Reserve for Uncollected Taxes                  | 359,378.09             | 355,920.28             | 3,457.81                | 0.97         |
|  | <u>\$ 9,371,946.50</u> | <u>\$ 9,160,435.70</u> | <u>\$ 211,510.80</u>    | <u>2.31%</u> |

Our Sewer Utility Operating Fund generated revenues and other income exclusive of Fund Balance appropriated of \$2,086,168.39 and incurred expenditures of \$2,020,834.57. The fund balance increased by \$65,333.82. This compares to an increase in fund balance in 2015 of \$46,812.81.

Our Beach Utility Operating Fund generated revenues and other income exclusive of Fund Balance appropriated of \$1,984,762.83 and incurred expenditures of \$2,039,715.45 resulting in a net decrease of \$54,952.62 in fund balance. This compares to a net increase in fund balance in 2015 of \$203,289.59.

The remainder of this transmittal letter will provide greater details relating to our progress during 2016 and some of our plans for the future.

### **STATUTORY AUTHORITY**

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

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

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

## **CASH MANAGEMENT**

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

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2016, idle funds were invested in interest bearing checking accounts. All such investments fall within the guidelines set forth by the statutes. Historically, the rate of return on investments is consistent with market rates in this locality.

## **ACCOUNTING AND BUDGET INFORMATION**

### **Accounting**

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

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

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

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

### **Budget**

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

Section 5:30-4 of the New Jersey Administrative Code provides that every local unit that proposes to spend \$25,000.00 or more on capital equipment, construction or improvements must prepare a Capital Budget. If the Borough's population is less than 10,000, the Capital Improvement Program shall include by title all projects anticipated for the budget year and the two succeeding years, with the estimated costs and the anticipated financing by sources and amounts. A three year Capital Improvement Program was adopted as part of the 2016 Budget.

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

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

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

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

### **DEBT ADMINISTRATION**

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

The Borough has managed its debt well and has outstanding net debt equal to 0.420% of its averaged equalized value. The Borough appropriates funds annually to meet its bonded indebtedness.

The Borough refunded certain 2007 bonds outstanding through the Monmouth County Improvement Authority in 2016 and achieved savings of \$113,649.58.

## **PRESENT AND FUTURE CHALLENGES**

During the 2016 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 2017 INITIATIVES**

The Borough continues to restore the dunes which had been destroyed by Hurricane Sandy, which were rebuilt in 2014. Christmas trees from residents and donations of Christmas trees from many other towns provided the basis for rebuilding the dunes.

The Borough continues to receive reimbursement from FEMA due to the devastating effect of Hurricane Sandy. While we have received funds in 2016, we expect to receive additional reimbursements in 2017 and possibly thereafter.

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

In 2015, the Borough of Bradley Beach continued to improve the Sewer Infrastructure which is an on-going program. Specifically, the Borough continues to review potential inflow and infiltration issues. As a result of the study, the Borough has videotaped the lines to determine the best means of remediation.

The Borough and the library awarded the installation of the elevator to Santorini Construction and work has begun. They hope to have the construction completed before the summer of 2017.

Municipal spending continues to be tightened in every department.

The Borough continues to undertake various initiatives to improve municipal facilities. New windows, lintels, dental molding and stucco siding have been added to the municipal building. A new roof is planned for the Public Works building.

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 "four star". The Borough participates with NJ Transit in a summer beach promotion.

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.

Borough parks and playgrounds are maintained annually. Road and intersections improvements at various locations are ongoing each year through State Department of Transportation Grants and Monmouth County combined with local funds.

The Borough successfully purchased property for the storage of the beach lockers and other equipment.

The Borough has begun looking into improving Sylvan Lake bulk heading with a possible natural shore line with the hope of mitigating erosion and flooding.

The Borough has refunded some of the older bond ordinances to lower the payments and reduce the amount of debt.

### **PROSPECTS FOR THE FUTURE**

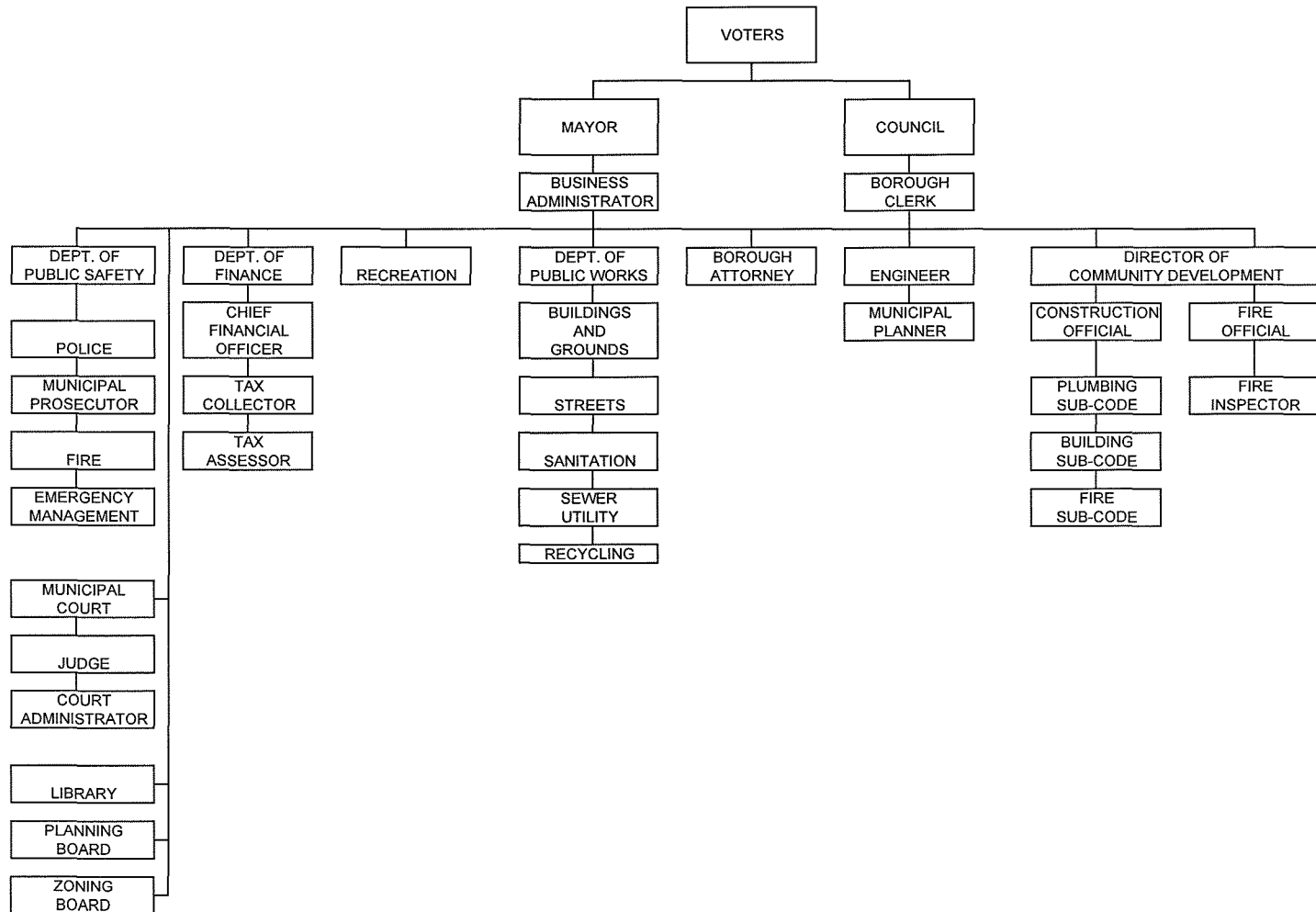
1. We continue to engage in Interlocal Service Agreements with other towns for services such as court facilities, purchasing and public works functions to cut costs and we continue to explore additional interlocal opportunities.
2. The Borough continues to explore options for alternative health care programs in order to provide a broader range of choices to existing employees and to evaluate scenarios for long-term cost reductions.
3. The Borough is investigating the ability to accept credit cards for payments in the various departments.
4. The Borough is looking into a grant for the improvement of Riley Park to make it more handicapped accessible.
5. The Borough plans to do repairs to the Lifeguard Headquarters giving access to the second floor and a private bathroom for the staff.

### **ACKNOWLEDGMENTS**

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

Respectfully submitted,  
Gail Krzyzczuk  
Chief Financial Officer

**BOROUGH OF BRADLEY BEACH**  
**TABLE OF ORGANIZATION**



**BOROUGH OF BRADLEY BEACH**

**ROSTER OF OFFICIALS**

**DECEMBER 31, 2016**

Governing Body

Gary Engelstad, Mayor

Harold Cotler, Council President

Salvatore Galassetti, Councilman

Norman Goldfarb, Councilman

Thomas Volante, Councilman

Other Officials

Mary Ann Solinski, Borough Clerk, Registrar of Vital Statistics and Assessment Search Officer  
through May 31, 2016

Kelly Barrett, Borough Clerk, Registrar of Vital Statistics and Assessment Search Officer Effective  
June 1, 2016

Joyce M. Wilkins, Borough Administrator, Chief Financial Officer, Tax Collector, Sewer Collector and  
Tax Search Officer through September 30, 2016

Gail O. Krzyzczuk, Assistant Chief Financial Officer, Deputy Tax Collector, Deputy Sewer Collector  
through September 30, 2016

Gail O. Krzyzczuk, Chief Financial Officer, Tax Collector, Sewer Collector effective October 1, 2016

Anthony Muscillo, Acting Borough Administrator effective October 1, 2016

Edward M. Mullane, Tax Assessor

Robert Cahn, Assistant Tax Assessor

Gerald Freda, Borough Engineer

Dennis Lavendar, Magistrate

Sean Kane, Borough Prosecutor

Kelly Barrett, Court Administrator through February 1, 2016

Tracy Sorrentino, Court Administrator effective February 1, 2016

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

William Schmeling, Qualified Purchasing Agent

**BOROUGH OF BRADLEY BEACH**  
**CONSULTANTS AND ADVISORS**  
**DECEMBER 31, 2016**

AUDIT FIRM

Wiss & Company, LLP

ATTORNEY

Michael DuPont, Esq.  
McKenna, Dupont, Higgins, Stone, PC

BOND COUNSEL

John Cantalupo, Esq.  
Archer & Greiner, PC

OFFICIAL DEPOSITORIES

PNC Bank  
Kearny Federal Savings



## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying basic financial statements – regulatory basis, which comprise the statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Bradley Beach ("Borough"), County of Monmouth, State of New Jersey, as of December 31, 2016 and 2015 and the related statements of revenues, expenditures and changes in fund balance - regulatory basis, and the related notes to the financial statements for the years then ended and the comparative statements of operations and changes in operating fund balance – regulatory basis, the statements of fund balance - regulatory basis the statements of revenues – regulatory basis, the statements of expenditures – regulatory basis of the various funds fir the year ended December 31, 2016 as listed in the basic financial statements section of the accompanying table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

### WISS & COMPANY, LLP

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

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

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

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

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2016 and 2015, or the results of its operations and changes in fund balances for the years then ended.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects the statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough as of December 31, 2016 and 2015, and the results of its operations and changes in fund balances of such funds - regulatory basis for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds for the year ended December 31, 2016 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1 to the financial statements.

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

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information, identified as exhibits B-5 through FS-6 and the comments and recommendations, are presented for purposes of additional analysis as required by the Division and is not a required part of the 2016 regulatory - basis financial statements of the Borough. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

#### ***Other Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017, 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 solely 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 effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



David A. Kaplan  
Registered Municipal Accountant  
No. 433



WISS & COMPANY, LLP

Livingston, New Jersey  
June 30, 2017



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

**INDEPENDENT AUDITORS' REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the regulatory-basis financial statements of the Borough of Bradley Beach ("Borough"), County of Monmouth, New Jersey as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 30, 2017, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

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weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



David A. Kaplan  
Registered Municipal Accountant  
No. 433



WISS & COMPANY, LLP

Livingston, New Jersey  
June 30, 2017

## **BASIC FINANCIAL STATEMENTS**

**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS**  
**DECEMBER 31, 2016**

|  | Governmental Funds |                    |                |                 |                  | General<br>Fixed Assets |                  |
|--|--------------------|--------------------|----------------|-----------------|------------------|-------------------------|------------------|
|  | Current            | General<br>Capital | Trust<br>Funds | Utilities       |                  | Account Group           | Totals           |
|  |                    |                    |                | Operating       | Capital          |                         |                  |
| ASSETS AND OTHER DEBITS                  |                    |                    |                |                 |                  |                         |                  |
| Cash and Cash Equivalents                | \$ 3,680,279.93    | \$ 934,821.37      | \$ 763,826.64  | \$ 1,960,188.43 | \$ 889,593.28    |                         | \$ 8,228,709.65  |
| Intergovernmental Accounts Receivable    | 10,800.00          | 185,176.52         |                |                 |                  |                         | 195,976.52       |
| Receivables and Other Assets:            |                    |                    |                |                 |                  |                         |                  |
| Delinquent Property Taxes                | 149,682.14         |                    |                |                 |                  |                         | 149,682.14       |
| Consumer Accounts Receivable             |                    |                    |                | 76,729.36       |                  |                         | 76,729.36        |
| Liens Receivable                         | 1,754.55           |                    |                |                 |                  |                         | 1,754.55         |
| Other Accounts Receivable                |                    |                    |                |                 |                  |                         |                  |
| Revenue Accounts Receivable              | 21,915.87          |                    |                |                 |                  |                         | 21,915.87        |
| Interfunds Receivable                    | 37.77              |                    | 116.19         | 47.74           | 17,508.17        |                         | 17,709.87        |
| Obligations Under Capital Lease -        |                    |                    |                |                 |                  |                         |                  |
| Unfunded                                 |                    | 606,000.00         |                |                 |                  |                         | 606,000.00       |
| Deferred Charges                         | 214,583.50         | 4,809,223.66       |                |                 |                  |                         | 5,023,807.16     |
| Fixed Capital                            |                    |                    |                |                 | 8,053,314.89     |                         | 8,053,314.89     |
| Fixed Capital Authorized and Uncompleted |                    |                    |                |                 | 2,812,034.17     |                         | 2,812,034.17     |
| Fixed Assets                             |                    |                    |                |                 |                  | \$ 19,626,102.00        | 19,626,102.00    |
| Federal and State Grant Fund:            |                    |                    |                |                 |                  |                         |                  |
| Federal and State Grants Receivable      | 32,310.22          |                    |                |                 |                  |                         | 32,310.22        |
| Interfund Receivable                     | 75,234.81          |                    |                |                 |                  |                         | 75,234.81        |
| Total Assets and Other Debits            | \$ 4,186,598.79    | \$ 6,535,221.55    | \$ 763,942.83  | \$ 2,036,965.53 | \$ 11,772,450.51 | \$ 19,626,102.00        | \$ 44,921,281.21 |

See accompanying notes to the basic financial statements.



**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS**  
**DECEMBER 31, 2016**

|   | Governmental Funds |                    |                | Utilities       |                  | General<br>Fixed Assets |                  |
|---|--------------------|--------------------|----------------|-----------------|------------------|-------------------------|------------------|
|   | Current            | General<br>Capital | Trust<br>Funds | Operating       | Capital          | Account Group           | Totals           |
| <b><u>LIABILITIES, RESERVES</u></b>             |                    |                    |                |                 |                  |                         |                  |
| <b><u>AND FUND BALANCE</u></b>                  |                    |                    |                |                 |                  |                         |                  |
| Liabilities and Reserves:                       |                    |                    |                |                 |                  |                         |                  |
| Appropriation Reserves                          | \$ 463,451.27      |                    |                | \$ 226,440.46   |                  |                         | \$ 689,891.73    |
| Other Liabilities and Reserves                  | 1,231,446.93       | \$ 596,755.93      | \$ 763,905.06  | 432,706.01      | \$ 795,345.23    |                         | 3,820,159.16     |
| Improvement Authorizations                      |                    | 869,315.23         |                |                 | 101,104.72       |                         | 970,419.95       |
| Reserve for Amortization                        |                    |                    |                |                 | 5,814,457.24     |                         | 5,814,457.24     |
| Deferred Reserve for Amortization               |                    |                    |                |                 | 2,212,891.82     |                         | 2,212,891.82     |
| Interfunds Payable                              | 92,742.98          |                    | 37.77          |                 | 47.74            |                         | 92,828.49        |
| Serial Bonds                                    |                    | 3,544,000.00       |                |                 | 2,203,000.00     |                         | 5,747,000.00     |
| Bond Anticipation Notes                         |                    | 723,500.00         |                |                 | 635,000.00       |                         | 1,358,500.00     |
| Special Emergency Notes                         | 214,584.00         |                    |                |                 |                  |                         | 214,584.00       |
| Loans Payable                                   |                    | 179,296.66         |                |                 |                  |                         | 179,296.66       |
| Capital Lease Obligations Payable               |                    | 606,000.00         |                |                 |                  |                         | 606,000.00       |
| Reserve for Receivables and Other Assets        | 173,390.33         |                    |                | 76,729.36       |                  |                         | 250,119.69       |
| Federal and State Grant Fund:                   |                    |                    |                |                 |                  |                         |                  |
| Interfund Payable                               | 116.19             |                    |                |                 |                  |                         | 116.19           |
| Reserve for Encumbrances                        | 6,000.00           |                    |                |                 |                  |                         | 6,000.00         |
| Unappropriated/Appropriated Reserves            | 101,428.84         |                    |                |                 |                  |                         | 101,428.84       |
| Total Liabilities and Reserves                  | 2,283,160.54       | 6,518,867.82       | 763,942.83     | 735,875.83      | 11,761,846.75    |                         | 22,063,693.77    |
| Equity and Other Credits:                       |                    |                    |                |                 |                  |                         |                  |
| Investment in General Fixed Assets              |                    |                    |                |                 |                  | \$ 19,626,102.00        | 19,626,102.00    |
| Fund Balance                                    | 1,903,438.25       | 16,353.73          | -              | 1,301,089.70    | 10,603.76        |                         | 3,231,485.44     |
| Total Equity and Other Credits                  | 1,903,438.25       | 16,353.73          | -              | 1,301,089.70    | 10,603.76        | 19,626,102.00           | 22,857,587.44    |
| Total Liabilities, Reserves and<br>Fund Balance | \$ 4,186,598.79    | \$ 6,535,221.55    | \$ 763,942.83  | \$ 2,036,965.53 | \$ 11,772,450.51 | \$ 19,626,102.00        | \$ 44,921,281.21 |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS**  
**DECEMBER 31, 2015**

|  | Governmental Funds     |                        |                      | Utilities              |                         | General<br>Fixed Assets |                         |
|--|------------------------|------------------------|----------------------|------------------------|-------------------------|-------------------------|-------------------------|
|  | Current                | General<br>Capital     | Trust<br>Funds       | Operating              | Capital                 | Account Group           | Totals                  |
| <b>ASSETS AND OTHER DEBITS</b>                           |                        |                        |                      |                        |                         |                         |                         |
| Cash and Cash Equivalents                                | \$ 3,740,089.15        | \$ 1,605,448.66        | \$ 982,020.16        | \$ 1,943,336.91        | \$ 664,306.79           |                         | \$ 8,935,201.67         |
| Intergovernmental Accounts Receivable                    | 7,340.00               | 315,985.00             |                      |                        |                         |                         | 323,325.00              |
| Receivables and Other Assets:                            |                        |                        |                      |                        |                         |                         |                         |
| Delinquent Property Taxes                                | 169,436.44             |                        |                      |                        |                         |                         | 169,436.44              |
| Consumer Accounts Receivable                             |                        |                        |                      | 98,907.25              |                         |                         | 98,907.25               |
| Liens Receivable   | 1,578.41               |                        |                      |                        |                         |                         | 1,578.41                |
| Other Accounts Receivable                                |                        |                        | 50.00                |                        |                         |                         | 50.00                   |
| Revenue Accounts Receivable                              | 23,474.77              |                        |                      |                        |                         |                         | 23,474.77               |
| Interfunds Receivable                                    | 15,173.04              |                        | 116.19               | 44.32                  | 17,508.17               |                         | 32,841.72               |
| Obligations Under Capital Lease -<br>Unfunded            |                        | 833,000.00             |                      |                        |                         |                         | 833,000.00              |
| Deferred Charges   | 349,167.00             | 4,732,421.63           |                      |                        |                         |                         | 5,081,588.63            |
| Fixed Capital  |                        |                        |                      |                        | 6,058,993.66            |                         | 6,058,993.66            |
| Fixed Capital Authorized and Uncompleted<br>Fixed Assets |                        |                        |                      |                        | 3,795,975.50            |                         | 3,795,975.50            |
| Federal and State Grant Fund:                            |                        |                        |                      |                        |                         | \$ 17,649,049.00        | 17,649,049.00           |
| Federal and State Grants Receivable                      | 19,385.22              |                        |                      |                        |                         |                         | 19,385.22               |
| Interfund Receivable                                     | 51,580.81              |                        |                      |                        |                         |                         | 51,580.81               |
| <b>Total Assets and Other Debits</b>                     | <b>\$ 4,377,224.84</b> | <b>\$ 7,486,855.29</b> | <b>\$ 982,186.35</b> | <b>\$ 2,042,288.48</b> | <b>\$ 10,536,784.12</b> | <b>\$ 17,649,049.00</b> | <b>\$ 43,074,388.08</b> |
| <b>LIABILITIES, RESERVES<br/>AND FUND BALANCE</b>        |                        |                        |                      |                        |                         |                         |                         |
| Liabilities and Reserves:                                |                        |                        |                      |                        |                         |                         |                         |
| Appropriation Reserves                                   | \$ 451,461.52          |                        |                      | \$ 205,245.38          |                         |                         | \$ 656,706.90           |
| Other Liabilities and Reserves                           | 1,230,990.67           | 726,214.73             | \$ 980,957.86        | 447,427.35             | \$ 469,201.40           |                         | 3,854,792.01            |
| Improvement Authorizations                               |                        | 1,343,508.30           |                      |                        | 208,114.18              |                         | 1,551,622.48            |
| Reserve for Amortization                                 |                        |                        |                      |                        | 5,221,077.34            |                         | 5,221,077.34            |
| Deferred Reserve for Amortization                        |                        |                        |                      |                        | 2,212,891.82            |                         | 2,212,891.82            |
| Interfunds Payable                                       | 69,088.98              | 13,944.55              | 1,228.49             |                        | 44.32                   |                         | 84,306.34               |
| Serial Bonds   |                        | 4,361,000.00           |                      |                        | 2,421,000.00            |                         | 6,782,000.00            |
| Special Emergency Notes                                  | 559,167.00             |                        |                      |                        |                         |                         | 559,167.00              |
| Loans Payable  |                        | 199,767.63             |                      |                        |                         |                         | 199,767.63              |
| Capital Lease Obligations Payable                        |                        | 833,000.00             |                      |                        |                         |                         | 833,000.00              |
| Reserve for Receivables and Other Assets                 | 209,662.66             |                        |                      | 98,907.25              |                         |                         | 308,569.91              |
| Federal and State Grant Fund:                            |                        |                        |                      |                        |                         |                         |                         |
| Interfund Payable  | 116.19                 |                        |                      |                        |                         |                         | 116.19                  |
| Reserve for Encumbrances                                 | 3,540.00               |                        |                      |                        |                         |                         | 3,540.00                |
| Unappropriated/Appropriated Reserves                     | 67,309.84              |                        |                      |                        |                         |                         | 67,309.84               |
| <b>Total Liabilities and Reserves</b>                    | <b>2,591,336.86</b>    | <b>7,477,435.21</b>    | <b>982,186.35</b>    | <b>751,579.98</b>      | <b>10,532,329.06</b>    |                         | <b>22,334,867.46</b>    |
| Equity and Other Credits:                                |                        |                        |                      |                        |                         |                         |                         |
| Investment in General Fixed Assets                       |                        |                        |                      |                        |                         | \$ 17,649,049.00        | 17,649,049.00           |
| Fund Balance   | 1,785,887.98           | 9,420.08               | -                    | 1,290,708.50           | 4,455.06                |                         | 3,090,471.62            |
| <b>Total Equity and Other Credits</b>                    | <b>1,785,887.98</b>    | <b>9,420.08</b>        | <b>-</b>             | <b>1,290,708.50</b>    | <b>4,455.06</b>         | <b>17,649,049.00</b>    | <b>20,739,520.62</b>    |
| <b>Total Liabilities, Reserves and<br/>Fund Balance</b>  | <b>\$ 4,377,224.84</b> | <b>\$ 7,486,855.29</b> | <b>\$ 982,186.35</b> | <b>\$ 2,042,288.48</b> | <b>\$ 10,536,784.12</b> | <b>\$ 17,649,049.00</b> | <b>\$ 43,074,388.08</b> |

**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|   | Current Fund    |                  |   | Utility Operating Funds (1) |                 |   |
|---|-----------------|------------------|---|-----------------------------|-----------------|---|
|   | Final<br>Budget | Actual           | Variance<br>Favorable/<br>(Unfavorable) | Final<br>Budget             | Actual          | Variance<br>Favorable/<br>(Unfavorable) |
| Revenues:   |                 |                  |   |                             |                 |   |
| Fund Balance Anticipated  | \$ 785,567.92   | \$ 785,567.92    |   | \$ 464,584.52               | \$ 464,584.52   |   |
| Rents   |                 |                  |   | 1,905,000.00                | 2,009,189.26    | \$ 104,189.26                           |
| Miscellaneous Revenues  | 1,085,169.54    | 1,206,558.72     | \$ 121,389.18                           | 1,690,965.50                | 1,844,993.49    | 154,027.99                              |
| State Aid   | 355,290.00      | 355,290.00       |   |                             |                 |   |
| Federal and State Grants  | 54,578.87       | 54,578.87        |   |                             |                 |   |
|   | 2,280,606.33    | 2,401,995.51     | 121,389.18                              | 4,060,550.02                | 4,318,767.27    | 258,217.25                              |
| Receipts from Delinquent Taxes  | 169,000.00      | 168,781.10       | (218.90)                                |                             |                 |   |
| Amount to be Raised by Taxes for Support of<br>Municipal Budget:            |                 |                  |   |                             |                 |   |
| Local Tax for Municipal Purposes Including<br>Reserve for Uncollected Taxes | 6,922,340.17    | 7,153,782.76     | 231,442.59                              |                             |                 |   |
| Budget Totals   | 9,371,946.50    | 9,724,559.37     | 352,612.87                              |                             |                 |   |
| Non-budget Revenues   |                 |                  |   |                             | 16,521.97       | 16,521.97                               |
| Miscellaneous   |                 | 53,645.02        | 53,645.02                               |                             |                 |   |
| Other Credits to Income   |                 | 496,860.30       | 496,860.30                              |                             | 200,226.50      | 200,226.50                              |
| Taxes Allocated to School and County  |                 | 9,105,378.85     | 9,105,378.85                            |                             |                 |   |
| Total Revenues  | \$ 9,371,946.50 | \$ 19,380,443.54 | \$ 10,008,497.04                        | \$ 4,060,550.02             | \$ 4,535,515.74 | \$ 474,965.72                           |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|   | Current Fund    |                 |   | Utility Operating Funds (1) |                 |   |
|---|-----------------|-----------------|---|-----------------------------|-----------------|---|
|   | Final<br>Budget | Actual          | Variance<br>Favorable/<br>(Unfavorable) | Final<br>Budget             | Actual          | Variance<br>Favorable/<br>(Unfavorable) |
| Expenditures:                               |                 |                 |   |                             |                 |   |
| Current:                                    |                 |                 |   |                             |                 |   |
| Within "CAPS":                              |                 |                 |   |                             |                 |   |
| General Government                          | \$ 901,619.64   | \$ 901,619.64   |   |                             |                 |   |
| Land Use                                    | 29,474.18       | 29,474.18       |   |                             |                 |   |
| Code Enforcement                            | 94,191.06       | 94,191.06       |   |                             |                 |   |
| Insurance                                   | 1,231,159.00    | 1,231,159.00    |   |                             |                 |   |
| Public Safety                               | 2,430,916.58    | 2,430,916.58    |   |                             |                 |   |
| Public Works                                | 1,044,680.48    | 1,044,680.48    |   |                             |                 |   |
| Health and Human Services                   | 23,010.00       | 23,010.00       |   |                             |                 |   |
| Parks and Recreation                        | 184,811.00      | 184,811.00      |   |                             |                 |   |
| Utility Expenses and Bulk Purchases         | 261,125.00      | 261,125.00      |   |                             |                 |   |
| Contingent                                  | 3,700.00        | 3,700.00        |   |                             |                 |   |
| Deferred Charges and Statutory              |                 |                 |   |                             |                 |   |
| Expenditures                                | 771,179.99      | 771,179.99      |   |                             |                 |   |
| Excluded from "CAPS":                       |                 |                 |   |                             |                 |   |
| Insurance                                   | 16,719.00       | 16,719.00       |   |                             |                 |   |
| Library                                     | 377,733.26      | 377,733.26      |   |                             |                 |   |
| State and Federal Grants                    | 70,578.87       | 70,578.87       |   |                             |                 |   |
| Utility Operating                           |                 |                 |   | \$ 3,205,174.89             | \$ 3,205,174.89 |   |
| Capital Improvements                        | 220,000.00      | 220,000.00      |   | 339,920.00                  | 339,920.00      |   |
| Debt Service                                | 1,217,086.85    | 1,217,086.85    |   | 332,294.38                  | 332,294.38      |   |
| Deferred Charges and Statutory Expenditures | 134,583.50      | 134,583.50      |   | 183,160.75                  | 183,160.75      |   |
| Reserve for Uncollected Taxes               | 359,378.09      | 359,378.09      |   |                             |                 |   |
| Total Budget Expenditures                   | \$ 9,371,946.50 | \$ 9,371,946.50 |   | \$ 4,060,550.02             | \$ 4,060,550.02 |   |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|   | Current Fund    |                 |   | Utility Operating Funds (1) |                 |   |
|---|-----------------|-----------------|---|-----------------------------|-----------------|---|
|   | Final<br>Budget | Actual          | Variance<br>Favorable/<br>(Unfavorable) | Final<br>Budget             | Actual          | Variance<br>Favorable/<br>(Unfavorable) |
| County and School Taxes   |                 | \$ 9,105,378.85 | \$ (9,105,378.85)                       |                             |                 |   |
| Total Expenditures  | \$ 9,371,946.50 | 18,477,325.35   | (9,105,378.85)                          | \$ 4,060,550.02             | \$ 4,060,550.02 |   |
| Excess in Revenues over Expenditures/<br>Statutory Excess to Fund Balance |                 | 903,118.19      | 903,118.19                              |                             | 474,965.72      | 474,965.72                              |
| Fund Balance, January 1, 2016   |                 | 1,785,887.98    | 1,785,887.98                            |                             | 1,290,708.50    | 1,290,708.50                            |
|   |                 | 2,689,006.17    | 2,689,006.17                            |                             | 1,765,674.22    | 1,765,674.22                            |
| Decreased By:   |                 |                 |   |                             |                 |   |
| Utilization as Anticipated Revenue  |                 | 785,567.92      | 785,567.92                              |                             | 464,584.52      | 464,584.52                              |
| Fund Balance, December 31, 2016   | \$ -            | \$ 1,903,438.25 | \$ 1,903,438.25                         | \$ -                        | \$ 1,301,089.70 | \$ 1,301,089.70                         |

(1) Beach and Sewer Utility Operating.

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH  
BEACH UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

|                                   |             |
|-----------------------------------|-------------|
| <u>BALANCE, DECEMBER 31, 2015</u> | \$ 3,053.65 |
|-----------------------------------|-------------|

INCREASED BY

|                          |                 |
|--------------------------|-----------------|
| Premium on Sale of Notes | <u>6,148.70</u> |
|--------------------------|-----------------|

|                                   |                    |
|-----------------------------------|--------------------|
| <u>BALANCE, DECEMBER 31, 2016</u> | <u>\$ 9,202.35</u> |
|-----------------------------------|--------------------|

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

|  |                    |
|--|--------------------|
| <u>BALANCE, DECEMBER 31, 2016 AND 2015</u> | \$ <u>1,401.41</u> |
|--|--------------------|

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|                                   |    |                         |
|-----------------------------------|----|-------------------------|
| <u>BALANCE, DECEMBER 31, 2015</u> | \$ | 9,420.08                |
| <u>INCREASED BY</u>               |    |                         |
| Premium on Sale of Notes          |    | <u>6,933.65</u>         |
| <u>BALANCE, DECEMBER 31, 2016</u> | \$ | <u><u>16,353.73</u></u> |

See accompanying notes to the basic financial statements.



**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

|  | December 31,           |                        |
|--|------------------------|------------------------|
|  | <u>2016</u>            | <u>2015</u>            |
| <b><u>ASSETS</u></b>                             |                        |                        |
| Cash and Cash Equivalents                        | \$ 3,680,279.93        | \$ 3,740,089.15        |
| Due from State - Veterans and Senior Citizens    | 10,800.00              | 7,340.00               |
| Receivables and Other Assets with Full Reserves: |                        |                        |
| Delinquent Property Taxes                        | 149,682.14             | 169,436.44             |
| Tax Title Liens Receivable                       | 1,754.55               | 1,578.41               |
| Revenue Accounts Receivable                      | 21,915.87              | 23,474.77              |
| Interfunds Receivable:                           |                        |                        |
| Due from Animal Control Trust Fund               | 37.77                  |                        |
| Due from Payroll Trust Fund                      |                        | 1,228.49               |
| Due from General Capital Fund                    |                        | 13,944.55              |
| Deferred Charges - Special Emergencies           | <u>214,583.50</u>      | <u>349,167.00</u>      |
| Total Current Fund                               | <u>4,079,053.76</u>    | <u>4,306,258.81</u>    |
| Federal and State Grant Fund:                    |                        |                        |
| Federal and State Grants Receivable              | 32,310.22              | 19,385.22              |
| Interfund Receivable - Due from Current Fund     | <u>75,234.81</u>       | <u>51,580.81</u>       |
| Total Federal and State Grant Fund               | <u>107,545.03</u>      | <u>70,966.03</u>       |
| Total Assets                                     | <u>\$ 4,186,598.79</u> | <u>\$ 4,377,224.84</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

|   | December 31,           |                        |
|---|------------------------|------------------------|
|   | <u>2016</u>            | <u>2015</u>            |
| <br><b><u>LIABILITIES, RESERVES AND</u></b><br><b><u>FUND BALANCE</u></b> |                        |                        |
| Current Fund:   |                        |                        |
| Liabilities:  |                        |                        |
| Appropriation Reserves  | \$ 463,451.27          | \$ 451,461.52          |
| Prepaid Taxes   | 133,074.85             | 119,661.21             |
| Special Emergency Notes Payable   | 214,584.00             | 559,167.00             |
| Tax Overpayments  | 17,018.14              | 22,521.04              |
| Due County for Added and Omitted Taxes                                    | 6,148.44               | 4,051.26               |
| Reserve for Encumbrances  | 279,894.06             | 211,502.20             |
| Due to State of New Jersey:   |                        |                        |
| DCA/Marriage License Fees   | 2,274.00               | 2,157.00               |
| Various Reserves  | 168,896.78             | 275,790.86             |
| Reserve for Hurricane Sandy   | 30,115.67              | 30,115.67              |
| Reserve for State Tax Appeals   | 30,060.99              | 55,521.43              |
| Local District School Tax Payable   | 563,964.00             | 509,670.00             |
| Interfunds Payable:   |                        |                        |
| Due to Beach Utility Capital Fund   | 17,508.17              | 17,508.17              |
| Due to Federal and State Grant Fund                                       | 75,234.81              | 51,580.81              |
|   | <u>2,002,225.18</u>    | <u>2,310,708.17</u>    |
| Reserve for Receivables and Other Assets                                  | 173,390.33             | 209,662.66             |
| Fund Balance  | <u>1,903,438.25</u>    | <u>1,785,887.98</u>    |
| Total Current Fund  | <u>4,079,053.76</u>    | <u>4,306,258.81</u>    |
| Federal and State Grant Fund:   |                        |                        |
| Reserve for Federal and State Grants:                                     |                        |                        |
| Appropriated  | 97,800.22              | 61,511.21              |
| Unappropriated  | 3,628.62               | 5,798.63               |
| Due to Payroll Fund   | 116.19                 | 116.19                 |
| Reserve for Encumbrances  | <u>6,000.00</u>        | <u>3,540.00</u>        |
| Total Federal and State Grant Fund  | <u>107,545.03</u>      | <u>70,966.03</u>       |
| Total Liabilities, Reserves and Fund Balance                              | <u>\$ 4,186,598.79</u> | <u>\$ 4,377,224.84</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

|  | <u>2016</u>              | <u>2015</u>              |
|--|--------------------------|--------------------------|
| Revenues and Other Income Realized:            |                          |                          |
| Fund Balance Utilized                          | \$ 785,567.92            | \$ 735,626.60            |
| Miscellaneous Revenues Anticipated             | 1,206,558.72             | 1,185,467.64             |
| State Aid                                      | 355,290.00               | 355,290.00               |
| Federal and State Grants                       | 54,578.87                | 50,748.16                |
| Receipts from Delinquent Taxes                 | 168,781.10               | 202,168.19               |
| Amount to be Raised by Taxation for Support of |                          |                          |
| Municipal Budget                               | 7,153,782.76             | 6,998,103.98             |
| Non-Budget Revenues                            | 53,645.02                | 77,531.92                |
| Other Credits to Income:                       |                          |                          |
| Unexpended Balance of Appropriation Reserves   | 470,303.45               | 377,752.61               |
| Current Appropriations Canceled                | 11,383.81                | 27.94                    |
| Interfund Liquidation                          | 15,173.04                | 22,958.41                |
| Prior Year Liabilities Cancelled               |                          | 40,399.99                |
| Taxes Allocated to School and County Taxes     | <u>9,105,378.85</u>      | <u>8,994,767.70</u>      |
| <br>Total Income                               | <br><u>19,380,443.54</u> | <br><u>19,040,843.14</u> |
| <br>Expenditures:                              |                          |                          |
| Budget and Emergency Appropriations:           |                          |                          |
| Within "CAPS":                                 |                          |                          |
| General Government                             | 864,082.14               | 831,734.30               |
| Land Use                                       | 29,474.18                | 29,291.36                |
| Code Enforcement                               | 94,191.06                | 87,534.03                |
| Insurance                                      | 1,231,159.00             | 1,196,546.00             |
| Public Safety                                  | 2,430,916.58             | 2,497,503.98             |
| Public Works                                   | 1,044,680.48             | 944,424.52               |
| Health and Human Services                      | 23,010.00                | 24,860.00                |
| Parks and Recreation                           | 184,811.00               | 154,400.00               |
| Utility Expenses and Bulk Purchases            | 261,125.00               | 270,125.00               |
| Deferred Charges and Statutory Expenditures    | 771,179.99               | 723,808.38               |
| Contingent                                     | 3,700.00                 | 3,700.00                 |
| Excluded from "CAPS":                          |                          |                          |
| General Government                             | 37,537.50                | 54,095.00                |
| Insurance                                      | 16,719.00                | 1,526.00                 |
| Library  | 377,733.26               | 363,238.24               |
| State and Federal Grants                       | 70,578.87                | 60,748.16                |
| Capital Improvements                           | 220,000.00               | 82,500.00                |
| Municipal Debt Service                         | 1,217,086.85             | 1,326,388.95             |
| Deferred Charges and Statutory Expenditures    | 134,583.50               | 152,091.50               |
| Reserve for Uncollected Taxes                  | 359,378.09               | 355,920.28               |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

|   | <u>2016</u>            | <u>2015</u>            |
|---|------------------------|------------------------|
| Expenditures (Continued):                     |                        |                        |
| County Taxes                                  | \$ 3,217,607.85        | \$ 3,208,774.70        |
| Interfunds Advanced                           |                        | 13,815.00              |
| Operations                                    |                        | 22,197.11              |
| Local District School Taxes                   | <u>5,887,771.00</u>    | <u>5,785,993.00</u>    |
| Total Expenditures                            | <u>18,477,325.35</u>   | <u>18,191,215.51</u>   |
| Excess in Revenue Over                        |                        |                        |
| Expenditures/Statutory Excess to Fund Balance | 903,118.19             | 849,627.63             |
| Fund Balance, January 1                       | <u>1,785,887.98</u>    | <u>1,671,886.95</u>    |
|   | 2,689,006.17           | 2,521,514.58           |
| Decreased by:                                 |                        |                        |
| Utilized as Anticipated Revenue               | <u>785,567.92</u>      | <u>735,626.60</u>      |
| Fund Balance, December 31                     | <u>\$ 1,903,438.25</u> | <u>\$ 1,785,887.98</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|  | Budget<br>As<br>Modified | Added by<br>N.J.S.A.<br>40A:4-87 | Realized          | Excess<br>or<br>(Deficit) |
|--|--------------------------|----------------------------------|-------------------|---------------------------|
| Surplus Anticipated  | \$ 785,567.92            |                                  | \$ 785,567.92     |                           |
| Miscellaneous Revenues:                                      |                          |                                  |                   |                           |
| Licenses:  |                          |                                  |                   |                           |
| Alcoholic Beverages  | 20,000.00                |                                  | 20,000.00         |                           |
| Other  | 7,250.00                 |                                  | 6,858.00          | \$ (392.00)               |
| Fees and Permits:  |                          |                                  |                   |                           |
| Construction Code Official Fees                              | 136,000.00               |                                  | 172,557.00        | 36,557.00                 |
| Fines and Costs:   |                          |                                  |                   |                           |
| Municipal Court  | 325,000.00               |                                  | 356,559.29        | 31,559.29                 |
| Interest and Costs on Taxes                                  | 45,000.00                |                                  | 41,838.21         | (3,161.79)                |
| Interest on Investments and Deposits                         | 900.00                   |                                  | 1,899.84          | 999.84                    |
| Cable Television Fees  | 54,965.00                |                                  | 54,965.00         |                           |
| Concession Rents   | 71,340.50                |                                  | 75,859.38         | 4,518.88                  |
| Parking Meters   | 87,000.00                |                                  | 89,012.48         | 2,012.48                  |
|  | <u>833,155.50</u>        |                                  | <u>932,626.30</u> | <u>99,470.80</u>          |
| Energy Receipts Tax  | <u>355,290.00</u>        |                                  | <u>355,290.00</u> |                           |
|  | <u>355,290.00</u>        |                                  | <u>355,290.00</u> |                           |
| Special Items of Revenue Offset with Appropriations:         |                          |                                  |                   |                           |
| Drunk Driving Enforcement Fund                               | 5,268.23                 |                                  | 5,268.23          |                           |
| Clean Communities Program                                    |                          | \$ 14,797.86                     | 14,797.86         |                           |
| Municipal Court Alcohol/Education/Rehab                      | 530.40                   |                                  | 530.40            |                           |
| Body Armor Replacement Program                               |                          | 1,863.38                         | 1,863.38          |                           |
| Body Worn Camera Grant                                       |                          | 3,000.00                         | 3,000.00          |                           |
| Municipal Alliance on Alcoholism and Drug Abuse Funding      | 20,000.00                |                                  | 20,000.00         |                           |
| Green Acres Lot Parking Meters Fees                          | 9,119.00                 |                                  | 9,119.00          |                           |
|  | <u>34,917.63</u>         | <u>19,661.24</u>                 | <u>54,578.87</u>  |                           |
| Special Items of Revenue with Prior Consent of the Director: |                          |                                  |                   |                           |
| Uniform Fire Safety Act                                      | 4,969.61                 |                                  | 3,950.05          | (1,019.56)                |
| Verizon Franchise Fees                                       | 31,385.65                |                                  | 31,385.65         |                           |
| Cell Tower Rental Fees                                       | 47,096.28                |                                  | 51,413.22         | 4,316.94                  |
| Code Enforcement Permits                                     | 33,000.00                |                                  | 51,441.00         | 18,441.00                 |
| Library Payment of Services                                  | 2,275.00                 |                                  | 2,275.00          |                           |
| Library Contribution for Debt Service                        | 95,750.00                |                                  | 95,750.00         |                           |
| Court Shared Service - Borough of Avon                       | 17,517.50                |                                  | 17,517.50         |                           |
| Court Shared Service - Borough of Neptune                    | 20,020.00                |                                  | 20,200.00         | 180.00                    |
|  | <u>252,014.04</u>        |                                  | <u>273,932.42</u> | <u>21,918.38</u>          |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|   | Budget<br>As<br>Modified | Added by<br>N.J.S.A.<br>40A:4-87 | Realized               | Excess<br>or<br>(Deficit) |
|---|--------------------------|----------------------------------|------------------------|---------------------------|
| Receipts from Delinquent Taxes                                      | \$ 169,000.00            |                                  | \$ 168,781.10          | \$ (218.90)               |
| Amount to be Raised by Taxation for Support of<br>Municipal Budget: |                          |                                  |                        |                           |
| Local Tax for Municipal Purposes                                    | 6,544,606.91             |                                  | 6,776,049.50           | 231,442.59                |
| Minimum Library Levy  | 377,733.26               |                                  | 377,733.26             |                           |
|   | <u>6,922,340.17</u>      |                                  | <u>7,153,782.76</u>    | <u>231,442.59</u>         |
| Budget Totals   | 9,352,285.26             | \$ 19,661.24                     | 9,724,559.37           | 352,612.87                |
| Non-Budget Revenue  |                          |                                  | 53,645.02              | 53,645.02                 |
|   | <u>\$ 9,352,285.26</u>   | <u>\$ 19,661.24</u>              | <u>\$ 9,778,204.39</u> | <u>\$ 406,257.89</u>      |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|   | <u>Budget</u> | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Canceled</u> |
|---|---------------|--------------------------------------|----------------------------|-------------------|-----------------|-----------------|
| <b>GENERAL GOVERNMENT FUNCTIONS</b>         |               |                                      |                            |                   |                 |                 |
| General Administration:                     |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                          | \$ 91,265.10  | \$ 91,265.10                         | \$ 91,265.10               |                   |                 |                 |
| Other Expenses                              | 5,200.00      | 5,200.00                             | 5,064.33                   | \$ 130.67         | \$ 5.00         |                 |
| Human Resources:                            |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                          |               |                                      |                            |                   |                 |                 |
| Other Expenses                              | 11,500.00     | 11,500.00                            | 280.00                     |                   | 11,220.00       |                 |
| Mayor and Council:                          |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                          | 14,400.00     | 14,400.00                            | 14,400.00                  |                   |                 |                 |
| Other Expenses                              | 9,800.00      | 9,800.00                             | 7,106.00                   |                   | 2,694.00        |                 |
| Municipal Clerk:                            |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                          | 128,082.90    | 128,082.90                           | 127,200.48                 |                   | 882.42          |                 |
| Other Expenses                              | 55,325.00     | 42,325.00                            | 34,671.51                  | 4,691.40          | 2,962.09        |                 |
| Codification of Ordinances                  |               |                                      |                            |                   |                 |                 |
| Financial Administration:                   |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                          | 93,065.46     | 93,065.46                            | 83,771.75                  |                   | 9,293.71        |                 |
| Other Expenses                              | 34,283.00     | 34,283.00                            | 28,361.05                  | 2,438.99          | 3,482.96        |                 |
| Audit Services:                             |               |                                      |                            |                   |                 |                 |
| Other Expenses                              | 16,750.00     | 16,750.00                            | 2,000.00                   | 14,750.00         |                 |                 |
| Revenue Administration:                     |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                          | 15,498.22     | 15,498.22                            | 11,885.06                  |                   | 3,613.16        |                 |
| Other Expenses                              | 20,005.00     | 20,005.00                            | 9,165.61                   | 3,076.00          | 7,763.39        |                 |
| Tax Assessment Administration:              |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                          | 25,693.86     | 25,693.86                            | 25,693.86                  |                   |                 |                 |
| Other Expenses                              | 20,100.00     | 20,100.00                            | 19,159.43                  | 31.26             | 909.31          |                 |
| Revaluation                                 |               |                                      |                            |                   |                 |                 |
| Legal Services:                             |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                          | 58,500.00     | 58,500.00                            | 58,500.00                  |                   |                 |                 |
| Other Expenses                              | 11,000.00     | 11,000.00                            | 7,665.64                   | 1,917.75          | 1,416.61        |                 |
| Engineering Services and Costs:             |               |                                      |                            |                   |                 |                 |
| Other Expenses                              | 15,000.00     | 28,000.00                            | 22,286.00                  | 2,590.00          | 3,134.00        |                 |
| Architect Services                          |               |                                      |                            |                   |                 |                 |
| Other Expenses                              | 5,000.00      | 5,000.00                             | 1,491.00                   |                   | 3,509.00        |                 |
| <b>LAND USE ADMINISTRATION</b>              |               |                                      |                            |                   |                 |                 |
| Municipal Land Use Law (N.J.S.A. 40:55D-1): |               |                                      |                            |                   |                 |                 |
| Planning Board:                             |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                          | 5,299.59      | 5,299.59                             | 5,299.59                   |                   |                 |                 |
| Other Expenses                              | 12,787.50     | 9,787.50                             | 7,132.96                   |                   | 2,654.54        |                 |
| Zoning Board of Adjustment:                 |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                          | 5,299.59      | 5,299.59                             | 5,299.59                   |                   |                 |                 |
| Other Expenses                              | 6,087.50      | 9,087.50                             | 7,523.05                   | 343.95            | 1,220.50        |                 |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|  | <u>Budget</u> | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Canceled</u> |
|--|---------------|--------------------------------------|----------------------------|-------------------|-----------------|-----------------|
| <b>CODE ENFORCEMENT AND ADMINISTRATION</b>                   |               |                                      |                            |                   |                 |                 |
| Other Code Enforcement Functions (Code Enforcement Officer): |               |                                      |                            |                   |                 |                 |
| Salaries and Wages   | \$ 83,361.06  | \$ 80,861.06                         | \$ 80,121.30               |                   | \$ 739.76       |                 |
| Other Expenses   | 9,330.00      | 13,330.00                            | 7,743.15                   | \$ 4,938.89       | 647.96          |                 |
| <b>INSURANCE</b>   |               |                                      |                            |                   |                 |                 |
| Surety Bond Premium  | 836.00        | 836.00                               | 836.00                     |                   |                 |                 |
| Liability Insurance  | 84,862.00     | 84,862.00                            | 84,862.00                  |                   |                 |                 |
| Worker Compensation Insurance                                | 137,750.00    | 137,750.00                           | 136,700.70                 |                   | 1,049.30        |                 |
| Employee Group Insurance                                     | 977,311.00    | 970,711.00                           | 798,914.21                 | 105,882.93        | 65,913.86       |                 |
| Unemployment Insurance                                       | 10,000.00     | 10,000.00                            | 10,000.00                  |                   |                 |                 |
| JIF Insurance Termination Payment                            | 27,000.00     | 27,000.00                            | 27,000.00                  |                   |                 |                 |
| <b>PUBLIC SAFETY FUNCTIONS</b>                               |               |                                      |                            |                   |                 |                 |
| Police:  |               |                                      |                            |                   |                 |                 |
| Salaries and Wages   | 1,940,492.15  | 1,919,892.15                         | 1,849,771.09               |                   | 70,121.06       |                 |
| Other Expenses   | 120,548.37    | 137,548.37                           | 121,569.61                 | 15,388.33         | 590.43          |                 |
| Police Dispatch/911:   |               |                                      |                            |                   |                 |                 |
| Salaries and Wages   | 146,160.00    | 146,160.00                           | 106,144.00                 |                   | 40,016.00       |                 |
| Other Expenses   | 3,600.00      | 3,600.00                             | 2,757.61                   | 324.34            | 518.05          |                 |
| Office of Emergency Management:                              |               |                                      |                            |                   |                 |                 |
| Salaries and Wages   | 8,000.00      | 8,000.00                             | 8,000.00                   |                   |                 |                 |
| Other Expenses   | 5,000.00      | 5,000.00                             | 5,000.00                   |                   |                 |                 |
| Aid to Volunteer Ambulance Company                           | 25,000.00     | 25,000.00                            | 25,000.00                  |                   |                 |                 |
| Fire:  |               |                                      |                            |                   |                 |                 |
| Salaries and Wages   | 3,700.00      | 3,700.00                             | 1,454.12                   |                   | 2,245.88        |                 |
| Other Expenses   | 106,430.00    | 106,430.00                           | 60,038.18                  | 26,628.01         | 19,763.81       |                 |
| Fire Hydrants:   |               |                                      |                            |                   |                 |                 |
| Other Expenses   | 37,500.00     | 37,500.00                            | 31,750.40                  | 2,886.40          | 2,863.20        |                 |
| Uniform Fire Safety Act (Ch. 383 P.L. 1983):                 |               |                                      |                            |                   |                 |                 |
| Other Expenses   | 100.00        | 100.00                               |                            |                   | 100.00          |                 |
| Fire Prevention Bureau:                                      |               |                                      |                            |                   |                 |                 |
| Salaries and Wages   | 34,911.06     | 34,911.06                            | 33,449.26                  |                   | 1,461.80        |                 |
| Other Expenses   | 3,075.00      | 3,075.00                             | 2,012.50                   | 306.74            | 755.76          |                 |
| Municipal Prosecutor:  |               |                                      |                            |                   |                 |                 |
| Salaries and Wages   | 17,340.00     | 17,340.00                            | 17,340.00                  |                   |                 |                 |
| Municipal Court:   |               |                                      |                            |                   |                 |                 |
| Salaries and Wages   | 61,279.60     | 65,879.60                            | 64,528.57                  |                   | 1,351.03        |                 |
| Other Expenses   | 35,500.00     | 41,100.00                            | 32,773.42                  | 8,112.58          | 214.00          |                 |
| Public Defender:   |               |                                      |                            |                   |                 |                 |
| Salaries and Wages   | 3,600.00      |                                      |                            |                   |                 |                 |

See accompanying notes to the basic financial statements.



**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|   | <u>Budget</u> | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Canceled</u> |
|---|---------------|--------------------------------------|----------------------------|-------------------|-----------------|-----------------|
| <b><u>PUBLIC WORKS FUNCTIONS</u></b>              |               |                                      |                            |                   |                 |                 |
| Road Repair and Maintenance:                      |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                                | \$ 420,074.50 | \$ 420,074.50                        | \$ 417,147.36              |                   | \$ 2,927.14     |                 |
| Other Expenses                                    | 134,650.00    | 133,150.00                           | 102,997.71                 | \$ 15,533.58      | 14,618.71       |                 |
| Solid Waste Collection:                           |               |                                      |                            |                   |                 |                 |
| Garbage and Trash Removal:                        |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                                | 6,840.00      | 6,840.00                             | 6,754.50                   |                   | 85.50           |                 |
| Other Expenses                                    | 311,180.00    | 311,180.00                           | 281,522.04                 | 12,000.84         | 17,657.12       |                 |
| Buildings and Grounds:                            |               |                                      |                            |                   |                 |                 |
| Salaries and Wages                                | 18,385.98     | 18,385.98                            | 18,385.92                  |                   | 0.06            |                 |
| Other Expenses                                    | 63,450.00     | 65,950.00                            | 54,586.62                  | 10,533.52         | 829.86          |                 |
| Vehicle Maintenance:                              |               |                                      |                            |                   |                 |                 |
| Other Expenses                                    | 86,500.00     | 89,100.00                            | 82,512.68                  | 6,578.49          | 8.83            |                 |
| Community Services Act:                           |               |                                      |                            |                   |                 |                 |
| Other Expenses                                    | 12,000.00     | 12,000.00                            | 6,750.00                   |                   | 5,250.00        |                 |
| PEOSHA - Hepatitis "B" Immunization               | 1,250.00      | 1,250.00                             | 755.00                     |                   | 495.00          |                 |
| Safety Regulators Coordinator                     | 510.00        | 510.00                               | 499.92                     |                   | 10.08           |                 |
| <b><u>HEALTH AND HUMAN SERVICES FUNCTIONS</u></b> |               |                                      |                            |                   |                 |                 |
| Environmental Commission:                         |               |                                      |                            |                   |                 |                 |
| Other Expenses                                    | 2,800.00      | 2,800.00                             | 1,298.48                   |                   | 1,501.52        |                 |
| Animal Control Services:                          |               |                                      |                            |                   |                 |                 |
| Other Expenses                                    | 12,710.00     | 12,710.00                            | 11,649.00                  | 1,061.00          |                 |                 |
| Contribution to Social Services Agencies:         |               |                                      |                            |                   |                 |                 |
| Other Expenses                                    | 7,500.00      | 7,500.00                             | 6,045.00                   | 1,455.00          |                 |                 |

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|   | <u>Budget</u>              | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u>           | <u>Reserved</u>          | <u>Canceled</u> |
|---|----------------------------|--------------------------------------|----------------------------|-----------------------------|--------------------------|-----------------|
| <b><u>PARK AND RECREATION FUNCTIONS</u></b>                       |                            |                                      |                            |                             |                          |                 |
| Recreation:   |                            |                                      |                            |                             |                          |                 |
| Salaries and Wages  | \$ 63,611.00               | \$ 66,111.00                         | \$ 65,453.00               |                             | \$ 658.00                |                 |
| Other Expenses  | 50,150.00                  | 47,650.00                            | 28,036.32                  | \$ 2,747.99                 | 16,865.69                |                 |
| Arts at the Beach   | 6,500.00                   | 6,500.00                             | 5,651.38                   |                             | 848.62                   |                 |
| Senior Citizen  | 1,200.00                   | 1,200.00                             | 1,200.00                   |                             |                          |                 |
| Historical Museum Contribution                                    | 1,000.00                   | 1,000.00                             | 1,000.00                   |                             |                          |                 |
| Celebration of Public Events:                                     |                            |                                      |                            |                             |                          |                 |
| Salaries and Wages  | 250.00                     | 250.00                               |                            |                             | 250.00                   |                 |
| Other Expenses  | 13,300.00                  | 13,300.00                            | 12,159.00                  | 129.00                      | 1,012.00                 |                 |
| Maintenance of Parks:   |                            |                                      |                            |                             |                          |                 |
| Salaries and Wages  | 5,000.00                   | 5,000.00                             | 1,640.00                   |                             | 3,360.00                 |                 |
| Other Expenses  | 43,800.00                  | 43,800.00                            | 23,203.07                  | 1,158.48                    | 19,438.45                |                 |
| <b><u>UTILITY EXPENSES AND BULK PURCHASES</u></b>                 |                            |                                      |                            |                             |                          |                 |
| Electricity   | 50,000.00                  | 50,000.00                            | 45,741.90                  | 4,258.10                    |                          |                 |
| Street Lighting   | 80,000.00                  | 80,000.00                            | 64,922.38                  | 5,816.09                    | 9,261.53                 |                 |
| Telephone   | 25,000.00                  | 25,000.00                            | 19,746.93                  | 1,162.00                    | 4,091.07                 |                 |
| Heat - Gas  | 32,000.00                  | 32,000.00                            | 19,030.10                  |                             | 12,969.90                |                 |
| Gasoline  | 35,000.00                  | 35,000.00                            | 21,845.32                  | 1,058.90                    | 12,095.78                |                 |
| Water   | 19,000.00                  | 19,000.00                            | 9,904.86                   | 428.52                      | 8,666.62                 |                 |
| Telecommunication Costs   | 20,125.00                  | 20,125.00                            | 18,052.25                  | 1,993.64                    | 79.11                    |                 |
| <b><u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u></b>          |                            |                                      |                            |                             |                          |                 |
| <b><u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u></b>   |                            |                                      |                            |                             |                          |                 |
| Construction Code Department:                                     |                            |                                      |                            |                             |                          |                 |
| Salaries and Wages  | 92,059.00                  | 89,059.00                            | 86,435.73                  |                             | 2,623.27                 |                 |
| Other Expenses  | 4,975.00                   | 6,475.00                             | 4,665.46                   | 1,790.45                    | 19.09                    |                 |
| <b><u>CONTINGENT</u></b>  | <b><u>3,700.00</u></b>     | <b><u>3,700.00</u></b>               |                            |                             | <b><u>3,700.00</u></b>   |                 |
| <b><u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u></b> | <b><u>6,167,149.44</u></b> | <b><u>6,167,149.44</u></b>           | <b><u>5,502,580.06</u></b> | <b><u>\$ 262,133.84</u></b> | <b><u>402,435.54</u></b> |                 |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|  | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u>    | <u>Reserved</u>   | <u>Canceled</u> |
|--|---------------------|--------------------------------------|----------------------------|----------------------|-------------------|-----------------|
| <b>DEFERRED CHARGES AND STATUTORY EXPENDITURES -</b>                           |                     |                                      |                            |                      |                   |                 |
| Statutory Expenditures:  |                     |                                      |                            |                      |                   |                 |
| Contribution to:   |                     |                                      |                            |                      |                   |                 |
| Public Employees' Retirement System  | \$ 133,982.25       | \$ 133,982.25                        | \$ 127,283.07              |                      | \$ 6,699.18       |                 |
| Social Security System (O.A.S.I.)  | 140,000.00          | 140,000.00                           | 120,810.19                 |                      | 19,189.81         |                 |
| Consolidated Police and Firemen's<br>Pension Fund                              | 8,802.96            | 8,802.96                             | 8,802.96                   |                      |                   |                 |
| Contribution to:   |                     |                                      |                            |                      |                   |                 |
| Administrative Fees (PFRS)   | <u>160.78</u>       | <u>160.78</u>                        | <u>160.78</u>              |                      |                   |                 |
| Total Deferred Charges and Statutory Expenditures -<br>Municipal within "CAPS" | <u>771,179.99</u>   | <u>771,179.99</u>                    | <u>745,291.00</u>          |                      | <u>25,888.99</u>  |                 |
| Total General Appropriations for Municipal Purposes within "CAPS"              | <u>6,938,329.43</u> | <u>6,938,329.43</u>                  | <u>6,247,871.06</u>        | \$ <u>262,133.84</u> | <u>428,324.53</u> |                 |
| <b>OPERATIONS - EXCLUDED FROM "CAPS"</b>                                       |                     |                                      |                            |                      |                   |                 |
| Other Operations - Excluded from "CAPS":                                       |                     |                                      |                            |                      |                   |                 |
| Maintenance of Free Public Library   | 377,733.26          | 377,733.26                           | 377,730.76                 | 2.50                 |                   |                 |
| Insurance:   |                     |                                      |                            |                      |                   |                 |
| Employee Group Insurance   | <u>16,719.00</u>    | <u>16,719.00</u>                     | <u>16,719.00</u>           |                      |                   |                 |
| Total Other Operations - Excluded from "CAPS"                                  | <u>394,452.26</u>   | <u>394,452.26</u>                    | <u>394,449.76</u>          | <u>2.50</u>          |                   |                 |
| Interlocal Municipal Service Agreements:                                       |                     |                                      |                            |                      |                   |                 |
| Municipal Court Services - Borough of Avon                                     | 17,517.50           | 17,517.50                            | 17,517.50                  |                      |                   |                 |
| Municipal Court Services - Borough of Neptune                                  | <u>20,020.00</u>    | <u>20,020.00</u>                     | <u>20,020.00</u>           |                      |                   |                 |
| Total Interlocal Municipal Service Agreements                                  | <u>37,537.50</u>    | <u>37,537.50</u>                     | <u>37,537.50</u>           |                      |                   |                 |
| Public and Private Programs Offset by Revenues:                                |                     |                                      |                            |                      |                   |                 |
| Alliance to Prevent Alcoholism & Drug Abuse:                                   |                     |                                      |                            |                      |                   |                 |
| Grant Portion  | 20,000.00           | 20,000.00                            | 20,000.00                  |                      |                   |                 |
| Match Portion  | 5,000.00            | 5,000.00                             | 5,000.00                   |                      |                   |                 |
| Municipal Court Alcohol Education  | 530.40              | 530.40                               | 530.40                     |                      |                   |                 |
| Matching Funds for Grant Programs  | 5,000.00            | 11,000.00                            | 11,000.00                  |                      |                   |                 |
| Green Acres Lot, Parking Meters, Parks and<br>Playgrounds                      | <u>9,119.00</u>     | <u>9,119.00</u>                      | <u>9,119.00</u>            |                      |                   |                 |
| Total Public and Private Programs Offset by Revenues                           | \$ <u>44,917.63</u> | \$ <u>70,578.87</u>                  | \$ <u>70,578.87</u>        |                      |                   |                 |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|  | <u>Budget</u>          | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u>    | <u>Reserved</u>      | <u>Canceled</u>     |
|--|------------------------|--------------------------------------|----------------------------|----------------------|----------------------|---------------------|
| <b><u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u></b>                |                        |                                      |                            |                      |                      |                     |
| Capital Improvement Fund   | \$ 50,000.00           | \$ 44,000.00                         | \$ 44,000.00               |                      |                      |                     |
| Capital Outlay - PW New Roof   | 25,000.00              | 25,000.00                            | 25,000.00                  |                      |                      |                     |
| Ocean Ave Striping and Numbering   | 25,000.00              | 25,000.00                            | 25,000.00                  |                      |                      |                     |
| "To go" Trailer and Equipment  | 15,000.00              | 15,000.00                            | 15,000.00                  |                      |                      |                     |
| Improvements to Sylvan Lake  | 48,000.00              | 48,000.00                            | 48,000.00                  |                      |                      |                     |
| Sink Hole Repairs  | 50,000.00              | 50,000.00                            | 14,873.26                  |                      | \$ 35,126.74         |                     |
| Total Capital Improvements Excluded<br>from "CAPS"                       | 226,000.00             | 220,000.00                           | 184,873.26                 |                      | 35,126.74            |                     |
| <b><u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u></b>              |                        |                                      |                            |                      |                      |                     |
| Payment of Bond Principal  | 731,000.00             | 731,000.00                           | 731,000.00                 |                      |                      |                     |
| Interest on Bonds  | 175,090.42             | 175,090.42                           | 175,089.64                 |                      |                      | \$ 0.78             |
| Green Trust Loan Program:  |                        |                                      |                            |                      |                      |                     |
| Loan Repayments for Principal and Interest                               | 24,364.48              | 24,364.48                            | 24,364.48                  |                      |                      |                     |
| Interest on Special Emergency Notes                                      | 4,291.99               | 4,291.99                             | 4,280.91                   |                      |                      | 11.08               |
| Capital Lease Obligations  |                        |                                      |                            |                      |                      |                     |
| Principal  | 227,000.00             | 227,000.00                           | 227,000.00                 |                      |                      |                     |
| Interest   | 45,148.04              | 45,148.04                            | 33,776.09                  |                      |                      | 11,371.95           |
| Principal and Interest on Interlocal Service Obligations                 | 10,191.92              | 10,191.92                            | 10,191.92                  |                      |                      |                     |
| Total Municipal Debt Service - Excluded from "CAPS"                      | 1,217,086.85           | 1,217,086.85                         | 1,205,703.04               |                      |                      | 11,383.81           |
| <b><u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</u></b>        |                        |                                      |                            |                      |                      |                     |
| Special Emergency 5 Years - Revaluation<br>(N.J.S. 40A:4-53)             | 40,000.00              | 40,000.00                            | 40,000.00                  |                      |                      |                     |
| Special Emergency 5 Years - Hurricane Sandy<br>(N.J.S. 40A:4-55.)        | 94,583.50              | 94,583.50                            | 94,583.50                  |                      |                      |                     |
| Total Deferred Charges - Municipal - Excluded from "CAPS"                | 134,583.50             | 134,583.50                           | 134,583.50                 |                      |                      |                     |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | 2,054,577.74           | 2,074,238.98                         | 2,027,725.93               | \$ 2.50              | 35,126.74            | 11,383.81           |
| Subtotal General Appropriations  | 8,992,907.17           | 9,012,568.41                         | 8,275,596.99               | 262,136.34           | 463,451.27           |                     |
| <b><u>RESERVE FOR UNCOLLECTED TAXES</u></b>                              | <u>359,378.09</u>      | <u>359,378.09</u>                    | <u>359,378.09</u>          |                      |                      |                     |
| Total General Appropriations.  | \$ <u>9,352,285.26</u> | \$ <u>9,371,946.50</u>               | \$ <u>8,634,975.08</u>     | \$ <u>262,136.34</u> | \$ <u>463,451.27</u> | \$ <u>11,383.81</u> |
|  |                        |                                      |                            |                      |                      |                     |
| Budget   |                        | \$ 9,352,285.26                      |                            |                      |                      |                     |
| Appropriation by NJSA 40A: 4-87  |                        | <u>19,661.24</u>                     |                            |                      |                      |                     |
|  |                        | \$ <u>9,371,946.50</u>               |                            |                      |                      |                     |
|  |                        |                                      |                            |                      |                      |                     |
| Cash Disbursed   |                        |                                      | \$ 8,070,434.62            |                      |                      |                     |
| Public and Private Programs Offset by Revenues                           |                        |                                      | 70,578.87                  |                      |                      |                     |
| Special Emergency Authorizations   |                        |                                      | 134,583.50                 |                      |                      |                     |
| Reserve for Uncollected Taxes  |                        |                                      | <u>359,378.09</u>          |                      |                      |                     |
|  |                        |                                      | \$ <u>8,634,975.08</u>     |                      |                      |                     |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**TRUST FUNDS**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

|  | <u>Payroll</u>      |                     | <u>Animal Control</u> |                    | <u>Other</u>         |                      |
|--|---------------------|---------------------|-----------------------|--------------------|----------------------|----------------------|
|  | <u>2016</u>         | <u>2015</u>         | <u>2016</u>           | <u>2015</u>        | <u>2016</u>          | <u>2015</u>          |
| <b><u>ASSETS</u></b>                             |                     |                     |                       |                    |                      |                      |
| Cash and Cash Equivalents                        | \$ 26,904.39        | \$ 24,458.55        | \$ 4,905.77           | \$ 4,353.21        | \$ 712,425.14        | \$ 932,542.70        |
| Interfund Receivable:                            |                     |                     |                       |                    |                      |                      |
| Due from Federal and State Grant Fund            | 116.19              | 116.19              |                       |                    |                      |                      |
| Other Receivable                                 |                     |                     |                       |                    |                      | 50.00                |
|  | <u>          </u>   | <u>          </u>   | <u>          </u>     | <u>          </u>  | <u>          </u>    | <u>          </u>    |
| Total Assets                                     | \$ <u>27,020.58</u> | \$ <u>24,574.74</u> | \$ <u>4,905.77</u>    | \$ <u>4,353.21</u> | \$ <u>712,425.14</u> | \$ <u>932,592.70</u> |
| <b><u>LIABILITIES AND RESERVES</u></b>           |                     |                     |                       |                    |                      |                      |
| Interfund Payable:                               |                     |                     |                       |                    |                      |                      |
| Due to Current Fund                              |                     | \$ 1,228.49         | \$ 37.77              |                    |                      |                      |
| Reserve for Encumbrances                         |                     |                     |                       |                    | \$ 130.00            |                      |
| Reserve for New Jersey Unemployment Compensation |                     |                     |                       |                    | \$ 151,221.47        | 134,780.88           |
| Payroll Deductions Payable                       | \$ 27,020.58        | 23,346.25           |                       |                    |                      |                      |
| Various Reserves                                 | <u>          </u>   | <u>          </u>   | <u>4,868.00</u>       | \$ <u>4,353.21</u> | <u>561,203.67</u>    | <u>797,681.82</u>    |
|  | <u>          </u>   | <u>          </u>   | <u>          </u>     | <u>          </u>  | <u>          </u>    | <u>          </u>    |
| Total Liabilities and Reserves                   | \$ <u>27,020.58</u> | \$ <u>24,574.74</u> | \$ <u>4,905.77</u>    | \$ <u>4,353.21</u> | \$ <u>712,425.14</u> | \$ <u>932,592.70</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**TRUST FUNDS**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

|  | <u>Public Assistance</u> |                    | <u>Tourism</u>      |                     | <u>Totals</u>        |                      |
|--|--------------------------|--------------------|---------------------|---------------------|----------------------|----------------------|
|  | <u>2016</u>              | <u>2015</u>        | <u>2016</u>         | <u>2015</u>         | <u>2016</u>          | <u>2015</u>          |
| <b><u>ASSETS</u></b>                             |                          |                    |                     |                     |                      |                      |
| Cash and Cash Equivalents                        | \$ 4,889.40              | \$ 4,888.91        | \$ 14,701.94        | \$ 15,776.79        | \$ 763,826.64        | \$ 982,020.16        |
| Interfund Receivable:                            |                          |                    |                     |                     |                      |                      |
| Due from Federal and State Grant Fund            |                          |                    |                     |                     | 116.19               | 116.19               |
| Other Receivable                                 |                          |                    |                     |                     |                      | 50.00                |
|  |                          |                    |                     |                     |                      |                      |
| Total Assets                                     | <u>\$ 4,889.40</u>       | <u>\$ 4,888.91</u> | <u>\$ 14,701.94</u> | <u>\$ 15,776.79</u> | <u>\$ 763,942.83</u> | <u>\$ 982,186.35</u> |
| <b><u>LIABILITIES AND RESERVES</u></b>           |                          |                    |                     |                     |                      |                      |
| Interfund Payable:                               |                          |                    |                     |                     |                      |                      |
| Due to Current Fund                              |                          |                    |                     |                     | \$ 37.77             | \$ 1,228.49          |
| Reserve for Encumbrances                         |                          |                    |                     |                     |                      | 130.00               |
| Reserve for New Jersey Unemployment Compensation |                          |                    |                     |                     | 151,221.47           | 134,780.88           |
| Payroll Deductions Payable                       |                          |                    |                     |                     | 27,020.58            | 23,346.25            |
| Reserves   | <u>\$ 4,889.40</u>       | <u>\$ 4,888.91</u> | <u>\$ 14,701.94</u> | <u>\$ 15,776.79</u> | <u>585,663.01</u>    | <u>822,700.73</u>    |
| Total Liabilities and Reserves                   | <u>\$ 4,889.40</u>       | <u>\$ 4,888.91</u> | <u>\$ 14,701.94</u> | <u>\$ 15,776.79</u> | <u>\$ 763,942.83</u> | <u>\$ 982,186.35</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

|   | December 31,           |                             |
|---|------------------------|-----------------------------|
|   | <u>2016</u>            | <u>2015</u>                 |
| <b><u>ASSETS</u></b>  |                        |                             |
| Cash and Cash Equivalents                                     | \$ 934,821.37          | \$ 1,605,448.66             |
| Intergovernmental Accounts Receivable                         | <u>185,176.52</u>      | <u>315,985.00</u>           |
| Deferred Charges to Future Taxation:                          |                        |                             |
| Funded  | 3,723,296.66           | 4,560,767.63                |
| Unfunded  | <u>1,085,927.00</u>    | <u>171,654.00</u>           |
|   | <u>4,809,223.66</u>    | <u>4,732,421.63</u>         |
| Obligations Under Capital Lease - Unfunded                    | <u>606,000.00</u>      | <u>833,000.00</u>           |
| Total Assets  | <u>\$ 6,535,221.55</u> | <u>\$ 7,486,855.29</u>      |
| <b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>          |                        |                             |
| Serial Bonds  | \$ 3,544,000.00        | \$ 4,361,000.00             |
| Bond Anticipation Notes                                       | <u>723,500.00</u>      | <u>                    </u> |
| Capital Lease Obligations Payable - Principal                 | <u>606,000.00</u>      | <u>833,000.00</u>           |
| Due to State of New Jersey - Green Trust Loan                 | <u>179,296.66</u>      | <u>199,767.63</u>           |
| Interfund Payable-  |                        |                             |
| Due to Current Fund   |                        | <u>13,944.55</u>            |
| Other Liabilities and Reserves:                               |                        |                             |
| Capital Improvement Fund                                      | 49,801.76              | 58,528.76                   |
| Reserve for Encumbrances                                      | 309,707.38             | 553,416.68                  |
| 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                                  | 36,860.17              | 9,742.40                    |
| Reserve of Sylvan Lake Aerator                                | 4,500.00               | 4,500.00                    |
| Reserve for Interlocal Agreement - Salt Dome                  | 11,808.57              | 11,808.57                   |
| Reserve for Preliminary Costs - Solar Panels                  | 500.00                 | 500.00                      |
| Reserve for NJLM Sustainable Grant                            | 1,009.01               | 1,009.01                    |
| Reserve for Regional Contribution Agreement - Interest Income | 19,606.92              | 19,603.44                   |
| Reserve for Library Accessibility                             | 22,854.01              | 22,854.01                   |
| Reserve for PW Roof Repairs                                   | 50,000.00              | 25,000.00                   |
| Reserve for Sylvan Lake Improvements                          | 65,856.25              | 8,000.00                    |
| Reserve for Surveillance System                               | 10,000.00              | 10,000.00                   |
| Reserve for Public Works Generator                            | <u>13,000.00</u>       | <u>                    </u> |
|   | <u>596,755.93</u>      | <u>726,214.73</u>           |
| Improvement Authorizations:                                   |                        |                             |
| Funded  | 505,161.46             | 1,287,146.97                |
| Unfunded  | <u>364,153.77</u>      | <u>56,361.33</u>            |
|   | <u>869,315.23</u>      | <u>1,343,508.30</u>         |
| Fund Balance  | <u>16,353.73</u>       | <u>9,420.08</u>             |
| Total Liabilities, Reserves and Fund Balance                  | <u>\$ 6,535,221.55</u> | <u>\$ 7,486,855.29</u>      |

There were Bonds and Notes Authorized But Not Issued of \$362,427.00 and \$171,654.00 at December 31, 2016 and 2015, respectively.

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

|   | Beach Utility        |                      | Sewer Utility          |                        | Totals                 |                        |
|---|----------------------|----------------------|------------------------|------------------------|------------------------|------------------------|
|   | 2016                 | 2015                 | 2016                   | 2015                   | 2016                   | 2015                   |
| <b>ASSETS</b>                                 |                      |                      |                        |                        |                        |                        |
| Operating Fund:                               |                      |                      |                        |                        |                        |                        |
| Cash and Cash Equivalents                     | \$ 845,104.21        | \$ 915,518.62        | \$ 1,115,084.22        | \$ 1,027,818.29        | \$ 1,960,188.43        | \$ 1,943,336.91        |
| Consumer Accounts Receivable                  |                      |                      | 76,729.36              | 98,907.25              | 76,729.36              | 98,907.25              |
| Interfunds Receivable:                        |                      |                      |                        |                        |                        |                        |
| Due from Beach Utility Capital Fund           | 47.74                | 23.87                |                        |                        | 47.74                  | 23.87                  |
| Due from Sewer Utility Capital Fund           |                      |                      |                        | 20.45                  |                        | 20.45                  |
| Total Assets                                  | <u>\$ 845,151.95</u> | <u>\$ 915,542.49</u> | <u>\$ 1,191,813.58</u> | <u>\$ 1,126,745.99</u> | <u>\$ 2,036,965.53</u> | <u>\$ 2,042,288.48</u> |
| <b>LIABILITIES, RESERVES AND FUND BALANCE</b> |                      |                      |                        |                        |                        |                        |
| Operating Fund:                               |                      |                      |                        |                        |                        |                        |
| Liabilities:                                  |                      |                      |                        |                        |                        |                        |
| Appropriation Reserves                        | \$ 98,835.98         | \$ 129,567.26        | \$ 127,604.48          | \$ 75,678.12           | \$ 226,440.46          | \$ 205,245.38          |
| Other Liabilities and Reserves:               |                      |                      |                        |                        |                        |                        |
| Reserve for Encumbrances                      | 34,403.57            | 33,213.41            | 34,765.93              | 100,586.02             | 69,169.50              | 133,799.43             |
| Reserve for Utilization of Banked Time        | 31,000.00            | 21,000.00            | 63,101.48              | 43,101.48              | 94,101.48              | 64,101.48              |
| Reserve for Beach Enhancement Donations       | 4,705.53             | 4,705.53             |                        |                        | 4,705.53               | 4,705.53               |
| Prepaid Bathing Badges                        | 131,950.00           | 130,185.00           |                        |                        | 131,950.00             | 130,185.00             |
| Sewer Rent Overpayments                       |                      |                      | 7,707.51               | 15,434.43              | 7,707.51               | 15,434.43              |
| Prepaid Sewer Rents                           |                      |                      | 7,846.90               | 12,023.71              | 7,846.90               | 12,023.71              |
| Accrued Interest on Bonds and Notes           | 13,795.83            | 9,551.45             | 3,887.21               | 3,887.21               | 17,683.04              | 13,438.66              |
| Due to Lienholder                             |                      |                      | 6.81                   | 6.81                   | 6.81                   | 6.81                   |
| Various Reserves                              | 46,994.62            | 48,900.80            | 52,540.62              | 24,831.50              | 99,535.24              | 73,732.30              |
|   | <u>262,849.55</u>    | <u>247,556.19</u>    | <u>169,856.46</u>      | <u>199,871.16</u>      | <u>432,706.01</u>      | <u>447,427.35</u>      |
| Reserve for Receivables                       |                      |                      | 76,729.36              | 98,907.25              | 76,729.36              | 98,907.25              |
| Fund Balance                                  | <u>483,466.42</u>    | <u>538,419.04</u>    | <u>817,623.28</u>      | <u>752,289.46</u>      | <u>1,301,089.70</u>    | <u>1,290,708.50</u>    |
| Total Liabilities, Reserves and Fund Balance  | <u>\$ 845,151.95</u> | <u>\$ 915,542.49</u> | <u>\$ 1,191,813.58</u> | <u>\$ 1,126,745.99</u> | <u>\$ 2,036,965.53</u> | <u>\$ 2,042,288.48</u> |

See accompanying notes to the basic financial statements.



**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN**  
**OPERATING FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

|   | <u>2016</u>          | <u>2015</u>          |
|---|----------------------|----------------------|
| Revenue and Other Income Realized:                      |                      |                      |
| Operating Fund Balance Appropriated                     | \$ 348,749.95        | \$ 277,905.20        |
| Bathing Badges  | 1,612,820.66         | 1,742,825.25         |
| Concession Rents  | 75,659.37            | 76,089.75            |
| Parking Meters  | 90,852.12            | 59,482.91            |
| Beach Locker Fees                                       | 63,200.00            | 49,925.00            |
| Interest on Investments                                 | 2,461.34             | 2,077.85             |
| Beach Capital Fund Balance                              |                      | 57,000.00            |
| FEMA Reimbursement                                      |                      | 150,000.00           |
| Non-budget Revenue                                      | 6,159.73             | 12,139.15            |
| Other Credits to Income:                                |                      |                      |
| Unexpended Balance of Appropriation Reserves            | <u>133,609.61</u>    | <u>41,854.88</u>     |
| Total Income  | <u>2,333,512.78</u>  | <u>2,469,299.99</u>  |
| Expenditures:   |                      |                      |
| Operating:  |                      |                      |
| Salaries and Wages                                      | 1,037,273.68         | 1,022,682.79         |
| Other Expenses  | 551,647.39           | 572,114.86           |
| Capital Improvements                                    | 87,000.00            | 47,000.00            |
| Debt Service  | 267,794.38           | 262,307.55           |
| Deferred Charges and Statutory Expenditures             | <u>96,000.00</u>     | <u>84,000.00</u>     |
| Total Expenditures                                      | <u>2,039,715.45</u>  | <u>1,988,105.20</u>  |
| Excess in Revenues/<br>Statutory Excess to Fund Balance | 293,797.33           | 481,194.79           |
| Fund Balance, January 1                                 | <u>538,419.04</u>    | <u>335,129.45</u>    |
|   | 832,216.37           | 816,324.24           |
| Decreased by:   |                      |                      |
| Utilization as Anticipated Revenue                      | <u>348,749.95</u>    | <u>277,905.20</u>    |
| Fund Balance, December 31                               | <u>\$ 483,466.42</u> | <u>\$ 538,419.04</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

Exhibit EB-2

|                                    | <u>Anticipated<br/>Budget</u> | <u>Realized</u>        | <u>Excess</u>        |
|------------------------------------|-------------------------------|------------------------|----------------------|
| Operating Fund Balance Anticipated | \$ 348,749.95                 | \$ 348,749.95          |                      |
| Bathing Badges                     | 1,481,000.00                  | 1,612,820.66           | \$ 131,820.66        |
| Concession Rents                   | 71,340.50                     | 75,659.37              | 4,318.87             |
| Interest on Investments            | 1,700.00                      | 2,461.34               | 761.34               |
| Parking Meter Fees                 | 87,000.00                     | 90,852.12              | 3,852.12             |
| Beach Locker Fees                  | <u>49,925.00</u>              | <u>63,200.00</u>       | <u>13,275.00</u>     |
| Total Budgeted                     | 2,039,715.45                  | 2,193,743.44           | 154,027.99           |
| Non-budgeted Revenues              | <u>                    </u>   | <u>6,159.73</u>        | <u>6,159.73</u>      |
|                                    | <u>\$ 2,039,715.45</u>        | <u>\$ 2,199,903.17</u> | <u>\$ 160,187.72</u> |

Non-budgeted Revenues:

Detail:

|                       |                    |
|-----------------------|--------------------|
| Rental of Gazebo      | \$ 2,400.00        |
| ATM Machine Fees      | 1,800.00           |
| NSF Check Fee         | 40.00              |
| Gazebo Parking Spaces | 450.00             |
| Lifeguard Tournament  | 938.00             |
| Miscellaneous         | <u>531.73</u>      |
|                       | <u>\$ 6,159.73</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|                                      | <u>Budget</u>          | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u>   | <u>Reserved</u>     |
|--------------------------------------|------------------------|--------------------------------------|----------------------------|---------------------|---------------------|
| <b><u>OPERATING</u></b>              |                        |                                      |                            |                     |                     |
| Salaries and Wages                   | \$ 1,037,273.68        | \$ 1,037,273.68                      | \$ 990,790.98              |                     | \$ 46,482.70        |
| Other Expenses                       | 551,647.39             | 551,647.39                           | 476,466.11                 | \$ 34,403.57        | 40,777.71           |
| Total Operating                      | <u>1,588,921.07</u>    | <u>1,588,921.07</u>                  | <u>1,467,257.09</u>        | <u>34,403.57</u>    | <u>87,260.41</u>    |
| <b><u>CAPITAL IMPROVEMENTS</u></b>   |                        |                                      |                            |                     |                     |
| Capital Improvement Fund             | 9,000.00               | 9,000.00                             | 9,000.00                   |                     |                     |
| Capital Outlay                       | 78,000.00              | 78,000.00                            | 76,947.90                  |                     | 1,052.10            |
| Total Capital Improvements           | <u>87,000.00</u>       | <u>87,000.00</u>                     | <u>85,947.90</u>           |                     | <u>1,052.10</u>     |
| <b><u>DEBT SERVICE</u></b>           |                        |                                      |                            |                     |                     |
| Payment of Bond Principal            | 188,000.00             | 188,000.00                           | 188,000.00                 |                     |                     |
| Interest on Bonds                    | 71,669.38              | 71,669.38                            | 71,669.38                  |                     |                     |
| Interest on Notes                    | 8,125.00               | 8,125.00                             | 8,125.00                   |                     |                     |
| Total Debt Service                   | <u>267,794.38</u>      | <u>267,794.38</u>                    | <u>267,794.38</u>          |                     |                     |
| <b><u>STATUTORY EXPENDITURES</u></b> |                        |                                      |                            |                     |                     |
| Contribution to:                     |                        |                                      |                            |                     |                     |
| Social Security System (O.A.S.I.)    | 86,000.00              | 86,000.00                            | 75,476.53                  |                     | 10,523.47           |
| Unemployment Compensation Insurance  | 10,000.00              | 10,000.00                            | 10,000.00                  |                     |                     |
| Total Statutory Expenditures         | <u>96,000.00</u>       | <u>96,000.00</u>                     | <u>85,476.53</u>           |                     | <u>10,523.47</u>    |
| Total Beach Utility Appropriations   | \$ <u>2,039,715.45</u> | \$ <u>2,039,715.45</u>               | \$ <u>1,906,475.90</u>     | \$ <u>34,403.57</u> | \$ <u>98,835.98</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN**  
**OPERATING FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

|  | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|
| Revenue and Other Income Realized:           |                      |                      |
| Operating Fund Balance Appropriated          | \$ 115,834.57        | \$ 132,685.40        |
| Rents  | 2,009,189.26         | 1,996,181.90         |
| Non-budget Revenue                           | 10,362.24            | 14,253.85            |
| Other Credits to Income:                     |                      |                      |
| Unexpended Balance of Appropriation Reserves | <u>66,616.89</u>     | <u>69,062.46</u>     |
| Total Income                                 | <u>2,202,002.96</u>  | <u>2,212,183.61</u>  |
| Expenditures:                                |                      |                      |
| Operating:                                   |                      |                      |
| Salaries and Wages                           | 365,808.82           | 326,317.32           |
| Other Expenses                               | 1,250,445.00         | 1,208,712.55         |
| Capital Improvements                         | 252,920.00           | 147,607.00           |
| Debt Service                                 | 64,500.00            | 263,253.03           |
| Deferred Charges and Statutory Expenditures  | <u>87,160.75</u>     | <u>86,795.50</u>     |
| Total Expenditures                           | <u>2,020,834.57</u>  | <u>2,032,685.40</u>  |
| Statutory Excess to Fund Balance             | 181,168.39           | 179,498.21           |
| Fund Balance, January 1                      | <u>752,289.46</u>    | <u>705,476.65</u>    |
|  | 933,457.85           | 884,974.86           |
| Decreased by:                                |                      |                      |
| Utilization as Anticipated Revenue           | <u>115,834.57</u>    | <u>132,685.40</u>    |
| Fund Balance, December 31                    | <u>\$ 817,623.28</u> | <u>\$ 752,289.46</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|                                    | <u>Anticipated</u>          | <u>Realized</u>        | <u>Excess</u>        |
|------------------------------------|-----------------------------|------------------------|----------------------|
| Operating Fund Balance Anticipated | \$ 115,834.57               | \$ 115,834.57          |                      |
| Rents                              | <u>1,905,000.00</u>         | <u>2,009,189.26</u>    | \$ <u>104,189.26</u> |
|                                    | 2,020,834.57                | 2,125,023.83           | 104,189.26           |
| Non-Budget Revenue                 | <u>                    </u> | <u>10,362.24</u>       | <u>10,362.24</u>     |
|                                    | <u>\$ 2,020,834.57</u>      | <u>\$ 2,135,386.07</u> | <u>\$ 114,551.50</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

|   | <u>Budget</u>          | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u>   | <u>Reserved</u>      |
|---|------------------------|--------------------------------------|----------------------------|---------------------|----------------------|
| <b><u>OPERATING</u></b>   |                        |                                      |                            |                     |                      |
| Salaries and Wages  | \$ 365,808.82          | \$ 365,808.82                        | \$ 345,864.97              |                     | \$ 19,943.85         |
| Other Expenses  | 474,445.00             | 474,445.00                           | 350,331.78                 | \$ 19,023.93        | 105,089.29           |
| Sewer Service Agreement with the Neptune Township<br>Sewerage Authority | <u>776,000.00</u>      | <u>776,000.00</u>                    | <u>760,258.00</u>          | <u>15,742.00</u>    |                      |
| Total Operating   | <u>1,616,253.82</u>    | <u>1,616,253.82</u>                  | <u>1,456,454.75</u>        | <u>34,765.93</u>    | <u>125,033.14</u>    |
| <b><u>CAPITAL IMPROVEMENTS</u></b>                                      |                        |                                      |                            |                     |                      |
| Capital Outlay  | <u>252,920.00</u>      | <u>252,920.00</u>                    | <u>252,920.00</u>          |                     |                      |
| Total Capital Improvements  | <u>252,920.00</u>      | <u>252,920.00</u>                    | <u>252,920.00</u>          |                     |                      |
| <b><u>DEBT SERVICE</u></b>  |                        |                                      |                            |                     |                      |
| Payment of Bond Principal   | 30,000.00              | 30,000.00                            | 30,000.00                  |                     |                      |
| Interest on Bonds   | <u>34,500.00</u>       | <u>34,500.00</u>                     | <u>34,500.00</u>           |                     |                      |
| Total Debt Service  | <u>64,500.00</u>       | <u>64,500.00</u>                     | <u>64,500.00</u>           |                     |                      |
| <b><u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u></b>               |                        |                                      |                            |                     |                      |
| Statutory Expenditures:   |                        |                                      |                            |                     |                      |
| Contribution to:  |                        |                                      |                            |                     |                      |
| Public Employees' Retirement System                                     | 44,660.75              | 44,660.75                            | 44,660.75                  |                     |                      |
| Social Security System (O.A.S.I.)                                       | 27,500.00              | 27,500.00                            | 24,928.66                  |                     | 2,571.34             |
| 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>87,160.75</u>       | <u>87,160.75</u>                     | <u>84,589.41</u>           |                     | <u>2,571.34</u>      |
| Total Sewer Utility Appropriations                                      | <u>\$ 2,020,834.57</u> | <u>\$ 2,020,834.57</u>               | <u>\$ 1,858,464.16</u>     | <u>\$ 34,765.93</u> | <u>\$ 127,604.48</u> |

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH**  
**COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**BEACH UTILITY AND SEWER UTILITY CAPITAL FUNDS - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

|   | Beach Utility Capital Fund |                 | Sewer Utility Capital Fund |                 | Totals           |                  |
|---|----------------------------|-----------------|----------------------------|-----------------|------------------|------------------|
|   | 2016                       | 2015            | 2016                       | 2015            | 2016             | 2015             |
| <b>ASSETS</b>                                 |                            |                 |                            |                 |                  |                  |
| Cash and Cash Equivalents                     | \$ 301,744.55              | \$ 326,000.34   | \$ 587,848.73              | \$ 338,306.45   | \$ 889,593.28    | \$ 664,306.79    |
| Interfunds Receivable:                        |                            |                 |                            |                 |                  |                  |
| Due from Current Fund                         | 17,508.17                  | 17,508.17       |                            |                 | 17,508.17        | 17,508.17        |
| Fixed Capital                                 | 3,390,929.15               | 2,678,451.81    | 4,662,385.74               | 3,380,541.85    | 8,053,314.89     | 6,058,993.66     |
| Fixed Capital Authorized and Uncompleted      | 2,810,648.56               | 2,804,975.50    | 1,385.61                   | 991,000.00      | 2,812,034.17     | 3,795,975.50     |
|   | 6,201,577.71               | 5,483,427.31    | 4,663,771.35               | 4,371,541.85    | 10,865,349.06    | 9,854,969.16     |
| Total Assets                                  | \$ 6,520,830.43            | \$ 5,826,935.82 | \$ 5,251,620.08            | \$ 4,709,848.80 | \$ 11,772,450.51 | \$ 10,536,784.62 |
| <b>LIABILITIES, RESERVES AND FUND BALANCE</b> |                            |                 |                            |                 |                  |                  |
| Serial Bonds                                  | \$ 1,443,000.00            | \$ 1,631,000.00 | \$ 760,000.00              | \$ 790,000.00   | \$ 2,203,000.00  | \$ 2,421,000.00  |
| Bond Anticipation Notes                       | 635,000.00                 |                 |                            |                 | 635,000.00       |                  |
| Due to Sewer Utility Operating Fund           |                            |                 |                            | 20.45           |                  | 20.45            |
| Due to Beach Utility Operating Fund           | 47.74                      | 23.87           |                            | 0.50            | 47.74            | 24.37            |
| Improvement Authorizations:                   |                            |                 |                            |                 |                  |                  |
| Funded  | 94,046.05                  | 206,728.57      | 1,385.61                   | 1,385.61        | 95,431.66        | 208,114.18       |
| Unfunded                                      | 5,673.06                   |                 |                            |                 | 5,673.06         |                  |
|   | 99,719.11                  | 206,728.57      | 1,385.61                   | 1,385.61        | 101,104.72       | 208,114.18       |
| Capital Improvement Fund                      | 36,899.61                  | 27,899.61       | 191,251.94                 | 191,251.94      | 228,151.55       | 219,151.55       |
| Accounts Payable                              |                            | 7,125.00        |                            |                 |                  | 7,125.00         |
| Reserve for Encumbrances                      | 137,563.91                 | 88,177.81       | 2,200.00                   | 4,707.27        | 139,763.91       | 92,885.08        |
| Reserve for Roof Repairs                      |                            |                 | 100,000.00                 | 25,000.00       | 100,000.00       | 25,000.00        |
| Reserve for Payment of Bonds                  |                            |                 | 39,539.77                  | 39,539.77       | 39,539.77        | 39,539.77        |
| Reserve for Upgrade to Public Safety Station  | 22,820.00                  | 10,500.00       |                            |                 | 22,820.00        | 10,500.00        |
| Reserve for Video Inspection of Sewer Lines   |                            |                 | 25,000.00                  | 25,000.00       | 25,000.00        | 25,000.00        |
| Reserve for Public Works Generator            | 13,000.00                  |                 | 13,000.00                  |                 | 26,000.00        |                  |
| Reserve for Sewer Infrastructure Upgrades     |                            |                 | 114,070.00                 |                 | 114,070.00       |                  |
| Reserve for Manhole Resetting                 |                            |                 | 100,000.00                 | 50,000.00       | 100,000.00       | 50,000.00        |
|   | 210,283.52                 | 133,702.42      | 585,061.71                 | 335,498.98      | 795,345.23       | 469,201.40       |
| Reserve for Amortization                      | 2,081,685.89               | 1,810,535.49    | 3,732,771.35               | 3,410,541.85    | 5,814,457.24     | 5,221,077.34     |
| Deferred Reserve for Amortization             | 2,041,891.82               | 2,041,891.82    | 171,000.00                 | 171,000.00      | 2,212,891.82     | 2,212,891.82     |
| Fund Balance                                  | 9,202.35                   | 3,053.65        | 1,401.41                   | 1,401.41        | 10,603.76        | 4,455.06         |
| Total Liabilities, Reserves and Fund Balance  | \$ 6,520,830.43            | \$ 5,826,935.82 | \$ 5,251,620.08            | \$ 4,709,848.80 | \$ 11,772,450.51 | \$ 10,536,784.62 |

There were no Bonds and Notes Authorized but not Issued in the Beach Utility Capital Fund or the Sewer Utility Capital Fund as of December 31, 2016 and 2015.

**BOROUGH OF BRADLEY BEACH**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

|                                    | December 31,            |                         |
|------------------------------------|-------------------------|-------------------------|
|                                    | <u>2016</u>             | <u>2015</u>             |
| General Fixed Assets:              |                         |                         |
| Land                               | \$ 4,978,400.00         | \$ 3,708,400.00         |
| Buildings                          | 9,431,238.00            | 9,023,362.00            |
| Equipment                          | 2,123,613.00            | 1,941,572.00            |
| Vehicles                           | <u>3,092,851.00</u>     | <u>2,975,715.00</u>     |
|                                    | <u>\$ 19,626,102.00</u> | <u>\$ 17,649,049.00</u> |
| Investment in General Fixed Assets | <u>\$ 19,626,102.00</u> | <u>\$ 17,649,049.00</u> |
|                                    | <u>\$ 19,626,102.00</u> | <u>\$ 17,649,049.00</u> |

See accompanying notes to the basic financial statements.



**NOTES TO BASIC FINANCIAL STATEMENTS**

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

## **1. Summary of Significant Accounting Policies**

### **Reporting Entity**

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

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

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

### **Entity-wide and Fund Financial Statements**

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

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

### **Description of Funds**

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

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operations of a specific government activity.

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**1. Summary of Significant Accounting Policies – (Continued)**

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

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

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

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

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

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

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

**Basis of Accounting**

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

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

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

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**1. Summary of Significant Accounting Policies – (Continued)**

Expenditures – are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory appropriation reserve balance. GAAP requires expenditures in the Current Fund to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

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

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

Deferred Charges – the basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances.

Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for deferred charges on the Current Fund, Beach Utility Fund or Sewer Utility Fund comparative statements of assets, liabilities and fund balance - regulatory basis. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**1. Summary of Significant Accounting Policies – (Continued)**

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

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

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

Inventories of Supplies – the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various comparative statements of assets, liabilities and fund balance - regulatory basis. GAAP does not require the establishment of an offsetting reserve.

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

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

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

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**1. Summary of Significant Accounting Policies – (Continued)**

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense – the requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* require governmental entities to record their distributive share of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. Refer to Note 7 – Pension Plans for these disclosures.

**Regulatory-Basis Financial Statements**

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

**Comparative Data**

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

**Subsequent Events**

The Borough has reviewed and evaluated all events and transactions from December 31, 2016 through June 30, 2017, the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at December 31, 2016 have been recognized in the accompanying financial statements.

On February 28, 2017, the Borough adopted a bond ordinance in the amount of \$2,850,000.00 for Sewer Improvements – Southern Portion.

On May 9, 2017 the Borough adopted a \$500,000.00 bond ordinance for Beachfront Railings.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**1. Summary of Significant Accounting Policies – (Continued)**

**GASB Implemented in the 2016 Fiscal Year**

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objective of this Statement is to provide guidance for applying fair value for certain assets and liabilities and disclosures related to all fair value measurements. The requirements of this Statement mandate the use of valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The Borough has adopted GASB No. 72 during the year ended December 31, 2016.

The GASB issued Statement 77, *Tax Abatement Disclosures* in August 2015. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 31, 2015. Since the Borough does not have any financial agreements with payment in lieu of tax provisions, this Statement did not impact the financial statements or disclosures.

**Recent Pronouncements**

The GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015. This Statement replaces the requirements of Statement 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 30, 2017. Management has not yet determined the impact of the Statement on the financial statements.

**2. Deposits and Investments**

**Deposits**

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

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

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

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**2. Deposits and Investments – (Continued)**

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

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

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

As of December 31, 2016 and 2015, cash and cash equivalents of the Borough consisted of checking and money market accounts.

The carrying amount of the Borough's deposits at December 31, 2016 was \$8,228,709.65 (excludes petty cash) and the bank balance was \$8,999,274.57. Of this amount, \$500,000.00 was covered by federal depository insurance and the remaining \$8,499,274.57 was covered by a collateral pool maintained by the bank as required by New Jersey Statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

The carrying amount of the Borough's deposits at December 31, 2015 was \$8,935,201.67 (includes petty cash) and the bank balance was \$9,096,854.68. Of this amount, \$500,000.00 was covered by federal depository insurance and the remaining \$8,596,854.68 was covered by a collateral pool maintained by the bank as required by New Jersey Statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

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

**Investments**

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.



Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**2. Deposits and Investments – (Continued)**

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

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

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

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

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

During 2016 and 2015, the Borough had no investments.

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**3. School Debt**

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

**4. Long-Term Debt**

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

The following represents bonds outstanding at December 31, 2016:

General Capital Fund:

|  |                        |
|--|------------------------|
| \$3,733,000 General Improvement Bonds, Series 2007 through the MCIA - Final annual maturity of \$304,000.00 in December 2017 at an interest rate of 5.00%.   | \$ 304,000.00          |
| \$1,030,000.00 General Improvement Bonds, Series 2014 - through the MCIA - Annual maturities ranging from \$50,000.00 to \$90,000.00 through December 2030 at annual interest rates ranging from 4.00% to 5.00%. | 940,000.00             |
| \$780,000.00 Library Improvement Bonds, Series 2014 - through the MCIA - Annual maturities ranging from \$25,000.00 to \$50,000.00 through December 2034 at annual interest rates ranging from 3.25% to 5.00%.   | 650,000.00             |
| \$1,650,000.00 Refunding Bonds, Series 2016 - through the MCIA - Annual maturities ranging from \$300,000.00 to \$360,000.00 through December 2022 at annual interest rates ranging from 4.00% to 5.00%.         | <u>1,650,000.00</u>    |
|  | <u>\$ 3,544,000.00</u> |

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**4. Long-Term Debt – (Continued)**

Beach Utility Capital Fund:

\$746,000.00 Beach Improvement Bonds, Series 2007 through the MCIA - Final annual maturity of \$98,000.00 on December 1, 2017 at an interest rate of 5.00%.

\$ 98,000.00

\$1,525,000.00 Beach Improvement Bonds, Series 2014 through the MCIA - Annual maturities from \$95,000.00 to \$155,000.00 through December 2027 at interest rates ranging from 4.00% to 5.00%.

1,345,000.00

\$ 1,443,000.00

Sewer Utility Capital Fund:

\$820,000.00 Sewer Improvement Bonds, Series 2014 through the MCIA - Annual maturities from \$30,000.00 to \$60,000.00 through December 2034 at interest rates ranging from 3.25% to 5.00%.

\$ 760,000.00

Grand Total \$ 5,747,000.00

The following summarizes the changes in long-term debt for 2016 and 2015.

| <u>Type</u>          | <u>January<br/>1, 2016</u> | <u>Increased</u>       | <u>Decreased</u>       | <u>December<br/>31, 2016</u> |
|----------------------|----------------------------|------------------------|------------------------|------------------------------|
| General Improvements | \$ 4,361,000.00            | \$ 1,665,000.00        | \$ 2,482,000.00        | \$ 3,544,000.00              |
| Beach Improvements   | 1,631,000.00               |                        | 188,000.00             | 1,443,000.00                 |
| Sewer Improvements   | <u>790,000.00</u>          |                        | <u>30,000.00</u>       | <u>760,000.00</u>            |
|                      | <u>\$ 6,782,000.00</u>     | <u>\$ 1,665,000.00</u> | <u>\$ 2,700,000.00</u> | <u>\$ 5,747,000.00</u>       |

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**4. Long-Term Debt – (Continued)**

| <u>Type</u>          | <u>January<br/>1, 2015</u> | <u>Payments</u>        | <u>December<br/>31, 2015</u> |
|----------------------|----------------------------|------------------------|------------------------------|
| General Improvements | \$ 5,198,162.00            | \$ 837,162.00          | \$ 4,361,000.00              |
| Beach Improvements   | 1,805,000.00               | 174,000.00             | 1,631,000.00                 |
| Sewer Improvements   | <u>1,010,838.00</u>        | <u>220,838.00</u>      | <u>790,000.00</u>            |
|                      | <u>\$ 8,014,000.00</u>     | <u>\$ 1,232,000.00</u> | <u>\$ 6,782,000.00</u>       |

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

|  |                            |
|--|----------------------------|
| Equalized valuation basis* - December 31, 2016 | <u>\$ 1,135,560,962.00</u> |
| 3 1/2% of equalized valuation basis            | \$ 39,744,633.67           |
| Net debt                                       | <u>4,873,363.50</u>        |
| Remaining borrowing power                      | <u>\$ 34,871,270.17</u>    |

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

**Summary of Statutory Debt Condition (Annual Debt Statement)**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.420%.

|                            | <u>Gross Debt</u>      | <u>Deductions</u>      | <u>Net Debt</u>        |
|----------------------------|------------------------|------------------------|------------------------|
| Local School District Debt | \$ 1,058,000.00        | \$ 1,058,000.00        | \$ None                |
| Sewer Utility Debt         | 760,000.00             | 760,000.00             | None                   |
| Beach Utility Debt         | 2,078,000.00           | 2,078,000.00           | None                   |
| General Debt               | <u>4,809,223.66</u>    | <u>36,860.17</u>       | <u>4,772,363.49</u>    |
|                            | <u>\$ 8,705,223.66</u> | <u>\$ 3,932,860.17</u> | <u>\$ 4,772,363.49</u> |

Net debt \$4,772,363.49 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, \$1,135,560,962 equals 0.420%.

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**4. Long-Term Debt – (Continued)**

**Summary of Municipal Debt (excluding Type II School Debt)**

The Borough's debt is summarized as follows:

|  | <u>2016</u>            | <u>2015</u>            |
|--|------------------------|------------------------|
| Issued:  |                        |                        |
| General:   |                        |                        |
| Bonds and notes  | \$ 4,267,500.00        | \$ 4,361,000.00        |
| Green trust loans  | 179,296.66             | 199,767.63             |
| Sewer Utility:   |                        |                        |
| Bonds and Notes  | 760,000.00             | 790,000.00             |
| Beach Utility:   |                        |                        |
| Bonds and Notes  | 2,078,000.00           | 1,631,000.00           |
| Total issued   | <u>7,284,796.66</u>    | <u>6,981,767.63</u>    |
| Less: Reserve for payment of bonds                       | <u>36,860.17</u>       | <u>9,742.40</u>        |
| Net debt issued  | 7,247,936.49           | 6,972,025.23           |
| Authorized but not issued:                               |                        |                        |
| General:   |                        |                        |
| Bonds and notes  | <u>362,427.00</u>      | <u>171,654.00</u>      |
| Total authorized but not issued                          | <u>362,427.00</u>      | <u>171,654.00</u>      |
| Net bonds and notes issued and authorized but not issued | <u>\$ 7,610,363.49</u> | <u>\$ 7,143,679.23</u> |

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**4. Long-Term Debt – (Continued)**

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

| Calendar<br>Years | General Capital Fund   |                        |                        |
|-------------------|------------------------|------------------------|------------------------|
|                   | Principal              | Interest               | Total                  |
| 2017              | \$ 379,000.00          | \$ 165,250.00          | \$ 544,250.00          |
| 2018              | 375,000.00             | 147,050.00             | 522,050.00             |
| 2019              | 395,000.00             | 132,050.00             | 527,050.00             |
| 2020              | 410,000.00             | 116,250.00             | 526,250.00             |
| 2021              | 435,000.00             | 96,550.00              | 531,550.00             |
| 2022-2026         | 855,000.00             | 245,000.00             | 1,100,000.00           |
| 2027-2031         | 545,000.00             | 88,800.00              | 633,800.00             |
| 2032-2036         | 150,000.00             | 10,125.00              | 160,125.00             |
|                   | <u>\$ 3,544,000.00</u> | <u>\$ 1,001,075.00</u> | <u>\$ 4,545,075.00</u> |

| Calendar<br>Years | Beach Utility Capital Fund |                      |                        | Sewer Utility Capital Fund |                      |                        | Grand<br>Total         |
|-------------------|----------------------------|----------------------|------------------------|----------------------------|----------------------|------------------------|------------------------|
|                   | Principal                  | Interest             | Total                  | Principal                  | Interest             | Total                  |                        |
| 2017              | \$ 193,000.00              | \$ 68,050.00         | \$ 261,050.00          | \$ 30,000.00               | \$ 33,600.00         | \$ 63,600.00           | \$ 868,900.00          |
| 2018              | 100,000.00                 | 59,350.00            | 159,350.00             | 30,000.00                  | 32,400.00            | 62,400.00              | 743,800.00             |
| 2019              | 105,000.00                 | 55,350.00            | 160,350.00             | 30,000.00                  | 31,200.00            | 61,200.00              | 748,600.00             |
| 2020              | 110,000.00                 | 51,150.00            | 161,150.00             | 30,000.00                  | 30,000.00            | 60,000.00              | 747,400.00             |
| 2021              | 115,000.00                 | 46,750.00            | 161,750.00             | 30,000.00                  | 28,800.00            | 58,800.00              | 752,100.00             |
| 2022-2026         | 665,000.00                 | 141,750.00           | 806,750.00             | 190,000.00                 | 118,250.00           | 308,250.00             | 2,215,000.00           |
| 2027-2031         | 155,000.00                 | 7,750.00             | 162,750.00             | 245,000.00                 | 65,750.00            | 310,750.00             | 1,107,300.00           |
| 2032-2036         |                            |                      |                        | 175,000.00                 | 11,950.00            | 186,950.00             | 347,075.00             |
|                   | <u>\$ 1,443,000.00</u>     | <u>\$ 430,150.00</u> | <u>\$ 1,873,150.00</u> | <u>\$ 760,000.00</u>       | <u>\$ 351,950.00</u> | <u>\$ 1,111,950.00</u> | <u>\$ 7,530,175.00</u> |

**Green Trust Loan Agreements**

| Year      | Principal            | Interest            | Total                |
|-----------|----------------------|---------------------|----------------------|
| 2017      | \$ 20,882.44         | \$ 3,482.04         | \$ 24,364.48         |
| 2018      | 21,302.18            | 3,062.30            | 24,364.48            |
| 2019      | 21,730.35            | 2,634.13            | 24,364.48            |
| 2020      | 22,167.13            | 2,197.35            | 24,364.48            |
| 2021      | 22,612.68            | 1,751.79            | 24,364.47            |
| sub-total | <u>108,694.78</u>    | <u>13,127.61</u>    | <u>121,822.39</u>    |
| 2022      | 23,067.20            | 1,297.28            | 24,364.48            |
| 2023      | 23,530.85            | 833.63              | 24,364.48            |
| 2024      | 24,003.83            | 240.04              | 24,243.87            |
| sub-total | <u>70,601.88</u>     | <u>2,370.95</u>     | <u>72,972.83</u>     |
|           | <u>\$ 179,296.66</u> | <u>\$ 15,498.56</u> | <u>\$ 194,795.22</u> |

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**4. Long-Term Debt – (Continued)**

**Refunding bonds**

On March 24, 2016, the Borough issued \$1,665,000.00 in Series 2016 refunding bonds through the MCIA. The bonds were issued to refund certain 2007 Series bonds. All of the refunded bonds remain outstanding at December 31, 2016. The refunding resulted in net present value savings of \$113,649.58.

**Bond anticipation notes**

The Borough had no bond anticipation notes outstanding as of December 31, 2015. The Borough had bond anticipation notes outstanding of \$723,500.00 in the General Capital Fund and \$635,000.00 in the Beach Utility Capital Fund as of December 31, 2016. The Notes mature on May 23, 2017 and were issued at a 2% interest rate.

**Special emergency notes**

| <u>Description</u> | <u>Interest<br/>Rate</u> | <u>Maturity<br/>Date</u> | <u>Amount</u>        |
|--------------------|--------------------------|--------------------------|----------------------|
| Hurricane Sandy    | 1.25%                    | 7/20/17                  | <u>\$ 214,584.00</u> |

**5. Fund Balances Appropriated**

The following fund balances at December 31, 2016 were appropriated in the 2017 budget:

|                              |               |
|------------------------------|---------------|
| Current Fund                 | \$ 785,000.00 |
| Sewer Utility Operating Fund | 32,648.00     |
| Beach Utility Operating Fund | 401,966.00    |

The following fund balances at December 31, 2015 were appropriated in the 2016 budget:

|                              |               |
|------------------------------|---------------|
| Current Fund                 | \$ 785,567.92 |
| Sewer Utility Operating Fund | 115,834.57    |
| Beach Utility Operating Fund | 348,749.95    |

**6. Property Taxes**

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

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

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**6. Property Taxes – (Continued)**

|               | <b>Balance December 31</b> |               |
|---------------|----------------------------|---------------|
|               | <b>2016</b>                | <b>2015</b>   |
| Prepaid taxes | \$ 133,074.85              | \$ 119,661.21 |

**7. Pension Plans**

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

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the PERS and PFRS bill the Borough annually at an actuarially determined rate for its required contribution. The current rate is 6.92% and 10%, respectively, of annual covered payroll. The contribution requirements of plan members and the Borough are established and may be amended by the Board of Trustees of the respective plan. The Borough's contributions to the PERS for the years ended December 31, 2016, 2015 and 2014 were \$178,643.00, \$177,182.00 and \$146,243.00, respectively, equal to the required contributions for each year. The Borough's contributions to the PFRS for the years ended December 31, 2016, 2015 and 2014 were \$488,234.00, \$445,838.00 and \$413,691.00, respectively, equal to the required contributions for each year.

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

**Plan Description:** The Borough contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.



Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

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

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

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

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough on a monthly basis. Eligible employees and retirees have the option of choosing from six medical benefit plans (NJ Direct15, NJ Direct10, Aetna, Freedom10, Aetna Freedom15, Aetna HMO or Horizon HMO) with rates ranging from \$733.27 for a single participant to \$2,234.12 for family coverage.

The Borough's contributions to SHBP for post-retirement benefits for the years ended December 31, 2016 and 2015 were \$467,727.23 and \$435,806.69, respectively, which equaled the required contributions for each year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employee's Retirement System (PERS)**

At December 31, 2016 and 2015, the Borough's liability for its proportionate share of the net pension liability was \$6,495,971 and \$4,664,452, respectively. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the Borough's proportion was 0.0219331532 percent, which was an increase of 0.0011542313 from its proportion measured as of June 30, 2015.

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

At December 31, 2016, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

|   | <b>Deferred<br/>Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows<br/>of Resources</b> |
|---|---|--|
| Changes of assumptions  | \$ 1,345,618                                  |  |
| Difference between expected and actual experience   | 120,805                                       |  |
| Net difference between projected and actual earnings<br>on pension plan investments                             | 247,697                                       |  |
| Changes in proportion and differences between<br>Borough contributions and proportionate share of contributions | 400,812                                       | \$ 89,349                                    |
| Borough's contributions subsequent to the measurement date  | 194,851                                       |  |
|   | <u>\$ 2,309,783</u>                           | <u>\$ 89,349</u>                             |

At December 31, 2015, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

|   | <b>Deferred<br/>Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows<br/>of Resources</b> |
|---|---|--|
| Changes of assumptions  | \$ 500,925                                    | \$ 74,995                                    |
| Net difference between projected and actual earnings<br>on pension plan investments                             | 111,277                                       |  |
| Changes in proportion and differences between<br>Borough contributions and proportionate share of contributions | 274,547                                       | 113,367                                      |
| Borough's contributions subsequent to the measurement date  | 178,643                                       |  |
|   | <u>\$ 1,065,392</u>                           | <u>\$ 188,362</u>                            |

\$194,851 and \$178,643 as of December 31, 2016 and 2015, respectively, is reflected above as deferred outflows of resources related to pensions resulting from Borough contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

|                                |           |                  |
|--------------------------------|-----------|------------------|
| <b>Year ended December 31:</b> |           |                  |
| 2017                           | \$        | 459,594          |
| 2018                           |           | 459,594          |
| 2019                           |           | 493,322          |
| 2020                           |           | 396,904          |
| 2021                           |           | 190,822          |
| Thereafter                     |           | 25,347           |
|                                | <u>\$</u> | <u>2,025,583</u> |

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

*Actuarial Assumptions*

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

|                              |              |
|------------------------------|--------------|
| Inflation rate               | 3.08%        |
| Salary increase through 2026 | 1.65 - 4.15% |
|                              | based on age |
| Thereafter                   | 2.65 - 5.15% |
|                              | based on age |
| Investment rate of return    | 7.65%        |

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

|                              |              |
|------------------------------|--------------|
| Inflation rate               | 3.04%        |
| Salary increase through 2026 | 2.15 - 4.40% |
|                              | based on age |
| Thereafter                   | 3.15 - 5.40% |
|                              | based on age |
| Investment rate of return    | 7.90%        |

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

*Mortality Rates*

Pre-retirement mortality rates were based on the RP-2000 Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

| Asset Class                 | Allocation     | Real Rate of Return |
|-----------------------------|----------------|---------------------|
| Cash                        | 5.00%          | 8.70%               |
| U.S. Treasuries             | 1.50%          | 1.74%               |
| Investment grade credit     | 8.00%          | 1.79%               |
| Mortgages                   | 2.00%          | 1.67%               |
| High yield bonds            | 2.00%          | 4.56%               |
| Inflation-indexed bonds     | 1.50%          | 3.44%               |
| Broad U.S. equities         | 26.00%         | 8.53%               |
| Developed foreign equities  | 13.25%         | 6.83%               |
| Emerging market equities    | 6.50%          | 9.95%               |
| Private equity              | 9.00%          | 12.40%              |
| Hedge funds/Absolute return | 12.50%         | 4.68%               |
| Real Estate (property)      | 2.00%          | 6.91%               |
| Commodities                 | 0.50%          | 5.45%               |
| Global debt ex U.S.         | 5.00%          | -0.25%              |
| REIT                        | 5.25%          | 5.63%               |
|                             | <u>100.00%</u> |                     |

*Discount rate*

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate*

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2016 calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

|   | <b>At 1%<br/>Decrease<br/>(2.98%)</b> | <b>At Current<br/>Discount Rate<br/>(3.98%)</b> | <b>At 1%<br/>Increase<br/>(4.98%)</b> |
|---|---------------------------------------|---|---------------------------------------|
| Borough's proportionate share of<br>the net pension liability | \$ 7,960,054                          | \$ 6,495,971                                    | \$ 5,287,243                          |

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2015 calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

|   | <b>At 1%<br/>Decrease<br/>(3.90%)</b> | <b>At Current<br/>Discount Rate<br/>(4.90%)</b> | <b>At 1%<br/>Increase<br/>(5.90%)</b> |
|---|---------------------------------------|---|---------------------------------------|
| Borough's proportionate share of<br>the net pension liability | \$ 5,797,343                          | \$ 4,664,452                                    | \$ 3,714,644                          |

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

*Additional Information*

Collective balances of the Local Group at June 30, 2016 are as follows:

|                                |                   |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 6,135,087,729  |
| Deferred inflows of resources  | \$ 870,133,595    |
| Net pension liability          | \$ 29,617,131,759 |
| <br>Borough's Proportion       | <br>0.0219331532% |

Collective balances of the Local Group at June 30, 2015 are as follows:

|                                |                   |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 2,946,265,815  |
| Deferred inflows of resources  | \$ 360,920,604    |
| Net pension liability          | \$ 22,447,996,119 |
| <br>Borough's Proportion       | <br>0.0207789219% |

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 and June 30, 2015 were \$2,827,610,195 and \$1,472,586,715, respectively.

The average of the expected remaining service lives of all plan members is 5.57 and 5.72 years for 2016 and 2015, respectively.

*Police and Firemen's Retirement System (PFRS)*

At December 31, 2016 and 2015, the Borough's liability for its proportionate share of the net pension liability was \$11,997,323.00 and \$10,004,636.00, respectively. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the Borough's proportion was 0.0628047965 percent, which was an increase of 0.0027403943 from its proportion measured as of June 30, 2015.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

At December 31, 2016, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

|   | <b>Deferred<br/>Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows<br/>of Resources</b> |
|---|---|--|
| Changes of assumptions  | \$ 1,661,728                                  |  |
| Differences between expected and actual experience  |   | \$ 78,644                                    |
| Net difference between projected and actual earnings<br>on pension plan investments                           |   |  |
| Net difference between expected and<br>actual experience  | 840,628                                       |  |
| Change in proportion an differences between Borough<br>contributions and proportionate share of contributions | 579,493                                       |  |
| Borough contributions subsequent to the measurement date  | 256,037                                       |  |
|   | <u>\$ 3,337,886</u>                           | <u>\$ 78,644</u>                             |

At December 31, 2015, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

|   | <b>Deferred<br/>Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows<br/>of Resources</b> |
|---|---|--|
| Changes of assumptions  | \$ 1,847,104                                  |  |
| Differences between expected and actual experience  |   | \$ 86,293                                    |
| Net difference between projected and actual earnings<br>on pension plan investments                           |   | 174,122                                      |
| Change in proportion an differences between Borough<br>contributions and proportionate share of contributions | 342,072                                       |  |
| Borough contributions subsequent to the measurement date  | 244,117                                       |  |
|   | <u>\$ 2,433,293</u>                           | <u>\$ 260,415</u>                            |

\$256,037 and \$244,117 are reported as of December 31 2016 and 2015, respectively, as deferred outflows of resources related to pensions resulting from Borough contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended December 31:**

|      |                     |
|------|---------------------|
| 2017 | \$ 713,375          |
| 2018 | 713,377             |
| 2019 | 837,051             |
| 2020 | 565,773             |
| 2021 | 173,629             |
|      | <u>\$ 3,003,205</u> |

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

*Actuarial Assumptions*

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

|                              |              |
|------------------------------|--------------|
| Inflation rate               | 3.08%        |
| Salary increase through 2026 | 2.10 - 8.98% |
|                              | Based on age |
| Thereafter                   | 3.10 – 9.98% |
|                              | Based on age |
| Investment rate of return    | 7.65%        |

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

|                              |               |
|------------------------------|---------------|
| Inflation rate               | 3.04%         |
| Salary increase through 2026 | 2.60 - 9.48%  |
|                              | Based on age  |
| Thereafter                   | 3.60 – 10.48% |
|                              | Based on age  |
| Investment rate of return    | 7.90%         |

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

*Mortality Rates*

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales.

Post retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.



Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

| Asset Class                   | Allocation     | Real Rate of Return |
|-------------------------------|----------------|---------------------|
| Cash                          | 5.00%          | 0.87%               |
| U.S. Treasuries               | 1.50%          | 1.74%               |
| Investment Grade Credit       | 8.00%          | 1.79%               |
| Mortgages                     | 2.00%          | 1.67%               |
| High Yield Bonds              | 2.00%          | 4.56%               |
| Inflation-Indexed Bonds       | 1.50%          | 3.44%               |
| Broad US Equities             | 26.00%         | 8.53%               |
| Developed Foreign Markets     | 13.25%         | 6.83%               |
| Emerging Market Equities      | 6.50%          | 9.95%               |
| Private Equity                | 9.00%          | 12.40%              |
| Hedge Funds / Absolute Return | 12.50%         | 4.68%               |
| Real Estate (Property)        | 2.00%          | 6.91%               |
| Commodities                   | 0.50%          | 5.45%               |
| Global Debtrex US             | 5.00%          | -0.25%              |
| REIT                          | 5.25%          | 5.63%               |
|                               | <u>100.00%</u> |                     |

*Discount rate*

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate*

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2016 calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55 percent) or 1-percentage-point higher (6.55 percent) than the current rate:

|   | At 1%<br>Decrease<br>(4.55%) | At Current<br>Discount Rate<br>(5.55%) | At 1%<br>Increase<br>(6.55%) |
|---|------------------------------|--|------------------------------|
| Borough's proportionate share of<br>the net pension liability | \$ 15,469,668                | \$ 11,997,323                          | \$ 9,165,834                 |

The following presents the Borough's proportionate share of the net pension liability as of December 31, 2015 calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79 percent) or 1-percentage-point higher (6.79 percent) than the current rate:

|   | At 1%<br>Decrease<br>(4.79%) | At Current<br>Discount Rate<br>(5.79%) | At 1%<br>Increase<br>(6.79%) |
|---|------------------------------|--|------------------------------|
| Borough's proportionate share of<br>the net pension liability | \$ 13,189,286                | \$ 10,004,636                          | \$ 7,407,838                 |

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Police and Firemen's Retirement System.

*Additional Information*

Collective balances of the Local Group at June 30, 2016 are as follows:

|                                |                   |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 4,547,316,543  |
| Deferred inflows of resources  | \$ 688,197,590    |
| Net pension liability          | \$ 20,706,699,056 |
| <br>Borough's Proportion       | <br>0.0628047965% |

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 is \$2,248,798,664.

Collective balances of the Local Group at June 30, 2015 are as follows:

|                                |                   |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 3,075,206,294  |
| Deferred inflows of resources  | \$ 433,559,708    |
| Net pension liability          | \$ 18,117,234,618 |
| <br>Borough's Proportion       | <br>0.0600644022% |

Collective pension expense for the Local Group for the measurement period ended June 30, 2015 is \$1,619,458,723.

The average of the expected remaining service lives of all plan members is 5.58 and 5.53 years for 2016 and 2015, respectively.

*Special Funding Situation*

Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and the State is treated as a nonemployer contributing entity. The nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of June 30, 2016 and 2015 is 0.0628047965% and 0.0600644022%, respectively, and the nonemployer contributing entities' contribution for the year ended June 30, 2016 and 2015, respectively were \$38,604 and \$45,672. The

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**7. Pension Plans – (Continued)**

State's proportionate share of the net pension liability attributable to the Borough for the year ended December 31, 2016 and 2015 was \$1,007,478 and \$877,373, respectively.

**8. Compensated Absences**

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation would approximate \$1,458,403.75 and \$1,526,609.18 at December 31, 2016 and December 31, 2015, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. As of December 31, 2016 and 2015, \$171,469.11 and \$222,106.65, respectively, was set aside in the current and utility operating funds for the payment of compensated absences.

**9. Tax Appeals**

There are several tax appeals pending before the State Tax Court of New Jersey requesting a reduction of assessments for the year 2016 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues, through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. As of December 31, 2016 and 2015, the Borough had reserves for tax appeals in the amounts of \$30,060.99 and \$55,521.43, respectively for appeals in the event that the tax reductions are granted. In accordance with the National Council on Governmental Accounting Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, the Borough charges to current fund operations or a reduction of current tax collections, all state board judgments rendered during the year which will be paid from expendable available resources. The Borough's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

**10. Commitments and Contingencies**

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

Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2016, the Borough estimates that no material liabilities will result from such audits.

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**10. Commitments and Contingencies – (Continued)**

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

**11. Risk Management**

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

**12. Deferred Compensation**

The Borough of Bradley Beach offers its employees a Deferred Compensation Plan, created in accordance with the provisions of N.J.S. 43:15B-1 et.seq. and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer 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. 5:37.

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

The administrators for the Borough of Bradley Beach Deferred Compensation Plan are MetLife and Nationwide Financial. The plan's assets are not the property of the Borough and therefore are not presented in the financial statements.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**13. Interfund Receivables and Payables**

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

| <u>Fund</u>             | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|-------------------------|---------------------------------|------------------------------|
| Current                 | \$ 37.77                        | \$ 92,742.98                 |
| Federal and State Grant | 75,234.81                       | 116.19                       |
| Animal Control Trust    |                                 | 37.77                        |
| Beach Utility Operating | 47.74                           |                              |
| Beach Utility Capital   | 17,508.17                       | 47.74                        |
| Payroll Trust           | 116.19                          |                              |
|                         | <u>\$ 92,944.68</u>             | <u>\$ 92,944.68</u>          |

The interfund between the Current and Federal and State Grant Funds arose from the grant activity and the relationship between these two funds. The interfund between the Beach Utility Capital Fund and the Current Fund arose from the special emergency note pay down not being transferred to the Beach Utility Capital Fund. The interfund between the Payroll Trust Fund and Federal and State Grant Funds arose from the payment of funds paid by the Payroll Trust Fund on behalf of the Grant Fund not being paid to the Payroll Trust Fund during the year. The interfund between the Beach Utility Operating and Capital Funds arose from the interest earned on the Investment Account – Beach Capital not being turned over to the Beach Utility Operating Fund during the year. All interfunds are expected to be paid within one year.

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

**14. Segment Information for Utility Operating Enterprise Funds**

The Borough maintains two enterprise funds that provide sewer service and beachfront operations. Segment information for the years ended December 31, 2016 and 2015:

|   | <u>Year ended December 31, 2016</u> |                                 |                                      |
|---|-------------------------------------|---------------------------------|--------------------------------------|
|   | <u>Beach<br/>Utility</u>            | <u>Sewer<br/>Utility</u>        | <u>Total<br/>Enterprise<br/>Fund</u> |
| Revenue and Other Income Realized:              |                                     |                                 |                                      |
| Operating Fund Balance Appropriated             | \$ 348,749.95                       | \$ 115,834.57                   | \$ 464,584.52                        |
| Rents   |                                     | 2,009,189.26                    | 2,009,189.26                         |
| Bathing Badges                                  | 1,612,820.66                        |                                 | 1,612,820.66                         |
| Miscellaneous Revenues                          | <u>238,332.56</u>                   | <u>10,362.24</u>                | <u>248,694.80</u>                    |
| <br>Budget Totals                               | <br>2,199,903.17                    | <br>2,135,386.07                | <br>4,335,289.24                     |
| Other Credits to Income:                        |                                     |                                 |                                      |
| Unexpended Balance of Appropriation<br>Reserves | <u>133,609.61</u>                   | <u>66,616.89</u>                | <u>200,226.50</u>                    |
| <br>Total Revenues                              | <br><u>2,333,512.78</u>             | <br><u>2,202,002.96</u>         | <br><u>4,535,515.74</u>              |
| Expenditures:                                   |                                     |                                 |                                      |
| Operating                                       | 1,588,921.07                        | 1,616,253.82                    | 3,205,174.89                         |
| Debt Service                                    | 267,794.38                          | 64,500.00                       | 332,294.38                           |
| Deferred Charges and Statutory<br>Expenditures  | 96,000.00                           | 87,160.75                       | 183,160.75                           |
| Capital Outlay                                  | <u>87,000.00</u>                    | <u>252,920.00</u>               | <u>339,920.00</u>                    |
| <br>Total Expenditures                          | <br><u>2,039,715.45</u>             | <br><u>2,020,834.57</u>         | <br><u>4,060,550.02</u>              |
| <br>Statutory Excess to Fund Balance            | <br>293,797.33                      | <br>181,168.39                  | <br>474,965.72                       |
| <br>Fund Balance, January 1                     | <br><u>538,419.04</u>               | <br><u>752,289.46</u>           | <br><u>1,290,708.50</u>              |
|   | 832,216.37                          | 933,457.85                      | 1,765,674.22                         |
| Decreased by:                                   |                                     |                                 |                                      |
| Utilization as Anticipated Revenue              | <u>348,749.95</u>                   | <u>115,834.57</u>               | <u>464,584.52</u>                    |
| <br>Fund Balance, December 31                   | <br><u><u>\$ 483,466.42</u></u>     | <br><u><u>\$ 817,623.28</u></u> | <br><u><u>\$ 1,301,089.70</u></u>    |

Borough of Bradley Beach  
Notes to Basic Financial Statements  
Years ended December 31, 2016 and 2015

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

|  | <u>Year ended December 31, 2015</u> |                             |                                      |
|--|-------------------------------------|-----------------------------|--------------------------------------|
|  | <u>Beach<br/>Utility</u>            | <u>Sewer<br/>Utility</u>    | <u>Total<br/>Enterprise<br/>Fund</u> |
| Revenue and Other Income Realized:           |                                     |                             |                                      |
| Operating Fund Balance Appropriated          | \$ 277,905.20                       | \$ 132,685.40               | \$ 410,590.60                        |
| Rents  |                                     | 1,996,181.90                | 1,996,181.90                         |
| Bathing Badges                               | 1,742,825.25                        |                             | 1,742,825.25                         |
| Miscellaneous Revenues                       | <u>406,714.66</u>                   | <u>14,253.85</u>            | <u>420,968.51</u>                    |
| Budget Totals                                | 2,427,445.11                        | 2,143,121.15                | 4,570,566.26                         |
| Other Credits to Income:                     |                                     |                             |                                      |
| Unexpended Balance of Appropriation Reserves | <u>41,854.88</u>                    | <u>69,062.46</u>            | <u>110,917.34</u>                    |
| Total Revenues                               | <u>2,469,299.99</u>                 | <u>2,212,183.61</u>         | <u>4,681,483.60</u>                  |
| Expenditures:                                |                                     |                             |                                      |
| Operating                                    | 1,594,797.65                        | 1,535,029.87                | 3,129,827.52                         |
| Debt Service                                 | 262,307.55                          | 263,253.03                  | 525,560.58                           |
| Deferred Charges and Statutory Expenditures  | 84,000.00                           | 86,795.50                   | 170,795.50                           |
| Capital Improvements                         | <u>47,000.00</u>                    | <u>147,607.00</u>           | <u>194,607.00</u>                    |
| Total Expenditures                           | <u>1,988,105.20</u>                 | <u>2,032,685.40</u>         | <u>4,020,790.60</u>                  |
| Statutory Excess to Fund Balance             | 481,194.79                          | 179,498.21                  | 660,693.00                           |
| Fund Balance, January 1                      | <u>335,129.45</u>                   | <u>705,476.65</u>           | <u>1,040,606.10</u>                  |
|  | 816,324.24                          | 884,974.86                  | 1,701,299.10                         |
| Decreased by:                                |                                     |                             |                                      |
| Utilization as Anticipated Revenue           | <u>277,905.20</u>                   | <u>132,685.40</u>           | <u>410,590.60</u>                    |
| Fund Balance, December 31                    | <u><u>\$ 538,419.04</u></u>         | <u><u>\$ 752,289.46</u></u> | <u><u>\$ 1,290,708.50</u></u>        |



Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2016 and 2015

**15. 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 following represents the amounts payable on these leases.

| Year Ending<br>Dec. 31, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2017                    | \$ 119,000.00        | \$ 26,827.50        | \$ 145,827.50        |
| 2018                    | 123,000.00           | 21,622.50           | 144,622.50           |
| 2019                    | 103,000.00           | 15,770.00           | 118,770.00           |
| 2020                    | 83,000.00            | 11,200.00           | 94,200.00            |
| 2021                    | 53,000.00            | 7,410.00            | 60,410.00            |
| 2022-2025               | <u>125,000.00</u>    | <u>5,520.00</u>     | <u>130,520.00</u>    |
|                         | <u>\$ 606,000.00</u> | <u>\$ 88,350.00</u> | <u>\$ 694,350.00</u> |

**16. 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<br>Balance, December 31 |                      |                      |                     |
|---|----------------------|----------------------|---------------------|
|   | 2016                 | 2015                 | Increase            |
| Balance of Tax                                      | \$ 3,140,148.00      | \$ 3,085,854.00      | \$ 54,294.00        |
| Deferred Portion                                    | <u>2,576,184.00</u>  | <u>2,576,184.00</u>  |                     |
| Tax Payable   | <u>\$ 563,964.00</u> | <u>\$ 509,670.00</u> | <u>\$ 54,294.00</u> |

**17. Deferred Charges to be Raised in Succeeding Years' Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the Comparative Statement of Assets, Liabilities, Reserves and Fund Balance as follows:

|                                  | Balance<br>December 31,<br>2016 | 2017 Budget<br>Appropriation | Balance to<br>Succeeding<br>Budgets |
|----------------------------------|---------------------------------|------------------------------|-------------------------------------|
| Current Fund:                    |                                 |                              |                                     |
| Special Emergency Authorizations |                                 |                              |                                     |
| Per N.J.S.A. 40A:4-53            | \$ <u>214,583.50</u>            | \$ <u>134,583.50</u>         | \$ <u>80,000.00</u>                 |

**COMBINING AND INDIVIDUAL FUND STATEMENTS –**  
**SUPPLEMENTARY INFORMATION**

**CURRENT FUND**

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**YEAR ENDED DECEMBER 31, 2016**

| Year | Balance<br>December 31,<br>2015 | Tax Levy         | Added<br>Taxes | Collections   |                  | State Share<br>Senior<br>Citizens and<br>Veterans<br>Deductions<br>Allowed | Transferred<br>to Tax<br>Title Liens<br>Receivable | Adjusted,<br>Remitted,<br>or<br>Canceled | Balance<br>December 31,<br>2016 |
|------|---------------------------------|------------------|----------------|---------------|------------------|--|--|--|---------------------------------|
|      |                                 |                  |                | 2015          | 2016             |  |  |  |                                 |
| 2015 | \$ 169,436.44                   |                  | \$ 188.46      |               | \$ 168,781.10    |  |  |  | \$ 843.80                       |
|      | 169,436.44                      |                  | 188.46         |               | 168,781.10       |  |  |  | 843.80                          |
| 2016 |                                 | \$ 16,006,577.26 | 49,195.84      | \$ 119,661.21 | 15,749,122.31    | \$ 31,000.00   | \$ 176.14  | \$ 6,975.10                              | 148,838.34                      |
|      | \$ 169,436.44                   | \$ 16,006,577.26 | \$ 49,384.30   | \$ 119,661.21 | \$ 15,917,903.41 | \$ 31,000.00   | \$ 176.14  | \$ 6,975.10                              | \$ 149,682.14                   |

BOROUGH OF BRADLEY BEACH  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
YEAR ENDED DECEMBER 31, 2016

ANALYSIS OF 2016 PROPERTY TAX LEVY

Tax Yield:

|                     |                  |
|---------------------|------------------|
| General Purpose Tax | \$ 16,006,577.26 |
|---------------------|------------------|

TAX LEVY

Local School District Tax:

|  |                 |
|--|-----------------|
| Levy School Year July 1, 2016 to June 30, 2017 | \$ 5,887,771.00 |
|--|-----------------|

County Taxes:

|                       |                  |                     |
|-----------------------|------------------|---------------------|
| County Tax            | \$ 2,980,192.62  |                     |
| County Open Space Tax | 171,210.22       |                     |
| County Health Tax     | <u>60,056.57</u> | <u>3,211,459.41</u> |

9,099,230.41

Local Tax for Municipal Purposes

6,907,346.85

Total Tax Levy

\$ 16,006,577.26

BOROUGH OF BRADLEY BEACH  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

|                                   |                    |
|-----------------------------------|--------------------|
| <u>BALANCE, DECEMBER 31, 2015</u> | \$ 1,578.41        |
| <u>INCREASED BY</u>               |                    |
| Transferred from Taxes Receivable | <u>176.14</u>      |
| <u>BALANCE, DECEMBER 31, 2016</u> | <u>\$ 1,754.55</u> |

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**SCHEDULE OF DEFERRED CHARGES**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Date</u> | <u>Purpose</u>   | <u>Amount<br/>Authorized</u> | <u>1/5 of<br/>Amount<br/>Authorized</u> | <u>Balance<br/>December 31,<br/>2015</u> | <u>Decreased<br/>in 2016</u> | <u>Balance<br/>December 31,<br/>2016</u> |
|-------------|--|------------------------------|---|--|------------------------------|--|
| 11/8/2012   | Special Emergency Authorization<br>(N.J.S.A. 40A:4-53) - Hurricane Sandy | \$ 1,250,000.00              | \$ 250,000.00                           | \$ 189,167.00                            | \$ 94,583.50                 | \$ 94,583.50                             |
| 11/12/2014  | Special Emergency Authorization<br>(N.J.S.A. 40A:4-53) - Revaluation     | 200,000.00                   | 40,000.00                               | <u>160,000.00</u>                        | <u>40,000.00</u>             | <u>120,000.00</u>                        |
|             |  |                              |   | <u>\$ 349,167.00</u>                     | <u>\$ 134,583.50</u>         | <u>\$ 214,583.50</u>                     |

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**SCHEDULE OF 2015 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2016**

|  | Balance<br>December 31, 2015      |                                     | Balance<br>After<br>Transfers | Paid or<br>Charged | Balance<br>Lapsed |
|--|-----------------------------------|-------------------------------------|-------------------------------|--------------------|-------------------|
|  | <u>Appropriation<br/>Reserves</u> | <u>Reserve for<br/>Encumbrances</u> |                               |                    |                   |
| Salaries and Wages:  |                                   |                                     |                               |                    |                   |
| Operations Within "CAPS":  |                                   |                                     |                               |                    |                   |
| General Administration   | \$ 1,499.88                       |                                     | \$ 1,499.88                   |                    | \$ 1,499.88       |
| Municipal Clerk  | 3,619.63                          |                                     | 3,619.63                      |                    | 3,619.63          |
| Financial Administration   | 499.91                            |                                     | 499.91                        |                    | 499.91            |
| Revenue Administration   | 0.50                              |                                     | 0.50                          |                    | 0.50              |
| Tax Assessment Administration  | 0.01                              |                                     | 0.01                          |                    | 0.01              |
| Planning Board   | 16.50                             |                                     | 16.50                         |                    | 16.50             |
| Zoning Board of Adjustment   | 16.42                             |                                     | 16.42                         |                    | 16.42             |
| Other Code Enforcement Functions (Code<br>Enforcement Officer)                                   | 1,025.98                          |                                     | 1,025.98                      |                    | 1,025.98          |
| Police   | 73,717.28                         |                                     | 73,717.28                     |                    | 73,717.28         |
| Police Dispatch/911  | 21,003.42                         |                                     | 21,003.42                     |                    | 21,003.42         |
| Municipal Court  | 18,188.24                         |                                     | 18,188.24                     | \$ 3,600.00        | 14,588.24         |
| Road Repair and Maintenance  | 20,605.43                         |                                     | 20,605.43                     |                    | 20,605.43         |
| Buildings and Grounds  | 1,652.62                          |                                     | 1,652.62                      |                    | 1,652.62          |
| Recreation   | 574.41                            |                                     | 574.41                        |                    | 574.41            |
| Celebration of Public Events   | 250.00                            |                                     | 250.00                        |                    | 250.00            |
| Maintenance of Parks   | 5,000.00                          |                                     | 5,000.00                      |                    | 5,000.00          |
| Uniform Construction Code - Appropriations Offset<br>by Dedicated Revenues (N.J.A.C. 5:23-4.17): |                                   |                                     |                               |                    |                   |
| Construction Code Department   | 10,539.78                         |                                     | 10,539.78                     |                    | 10,539.78         |
| Total Salaries and Wages   | \$ 162,942.51                     |                                     | \$ 162,942.51                 | \$ 3,600.00        | \$ 159,342.51     |



**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**SCHEDULE OF 2015 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2016**

|   | Balance<br>December 31, 2015 |                             | Balance            |                    | Balance     |
|---|------------------------------|-----------------------------|--------------------|--------------------|-------------|
|   | Appropriation<br>Reserves    | Reserve for<br>Encumbrances | After<br>Transfers | Paid or<br>Charged | Lapsed      |
| Other Expenses:                             |                              |                             |                    |                    |             |
| Operations Within "CAPS":                   |                              |                             |                    |                    |             |
| General Administration                      | \$ 1,836.94                  | \$ 51.97                    | \$ 1,888.91        | \$ 51.97           | \$ 1,836.94 |
| Human Resources                             | 204.25                       | 3,163.75                    | 3,368.00           | 1,985.89           | 1,382.11    |
| Mayor and Council                           | 2,145.63                     |                             | 2,145.63           |                    | 2,145.63    |
| Municipal Clerk                             | 16,476.64                    | 5,216.86                    | 21,693.50          | 695.78             | 20,997.72   |
| Financial Administration                    | 6,386.29                     | 1,820.96                    | 8,207.25           |                    | 8,207.25    |
| Audit Services                              |                              | 14,500.00                   | 14,500.00          | 14,500.00          |             |
| Revenue Administration                      | 3,405.44                     |                             | 3,405.44           |                    | 3,405.44    |
| Tax Assessment Administration               | 117.63                       | 1,380.00                    | 1,497.63           | 480.00             | 1,017.63    |
| Legal Services                              | 3.74                         | 8,074.75                    | 8,078.49           | 6,155.00           | 1,923.49    |
| Engineering Services and Costs              | 487.50                       | 2,575.00                    | 3,062.50           | 2,575.00           | 487.50      |
| Architect Services                          | 5,000.00                     | 7,000.00                    | 12,000.00          | 7,000.00           | 5,000.00    |
| Municipal Land Use Law (N.J.S.A. 40:55D-1): |                              |                             |                    |                    |             |
| Planning Board                              | 10,279.59                    |                             | 10,279.59          |                    | 10,279.59   |
| Zoning Board of Adjustment                  | 1,061.02                     |                             | 1,061.02           | 39.00              | 1,022.02    |
| Code Enforcement Officer                    | 1,497.66                     | 4,152.82                    | 5,650.48           | 3,347.79           | 2,302.69    |
| Surety Bond Premium                         | 470.10                       |                             | 470.10             |                    | 470.10      |
| Liability Insurance                         | 8,123.92                     |                             | 8,123.92           |                    | 8,123.92    |
| Worker Compensation Insurance               | 3,371.76                     |                             | 3,371.76           |                    | 3,371.76    |
| Employee Group Insurance                    | 86,435.25                    | 55,340.89                   | 141,776.14         | 50,451.87          | 91,324.27   |
| Police                                      | 1,840.54                     | 6,260.48                    | 8,101.02           | 2,987.92           | 5,113.10    |
| Police Dispatch/911                         | 1,305.95                     | 379.26                      | 1,685.21           | 376.95             | 1,308.26    |
| Office of Emergency Management              | 673.60                       | 91.94                       | 765.54             | 91.94              | 673.60      |
| Fire  | 18,675.29                    | 36,144.02                   | 54,819.31          | 41,121.17          | 13,698.14   |
| Fire Hydrants                               | 4,362.62                     | 741.38                      | 5,104.00           | 741.38             | 4,362.62    |
| Uniform Fire Safety Act (Ch. 383 P.L. 1983) |                              | 100.00                      | 100.00             | 100.00             |             |
| Fire Prevention Bureau                      |                              | 1,058.22                    | 1,058.22           | 1,058.22           |             |
| Municipal Court                             | 214.91                       | 5,179.13                    | 5,394.04           | 5,179.13           | 214.91      |
| Road Repair and Maintenance                 | 1,906.16                     | 4,781.81                    | 6,687.97           | 4,653.77           | 2,034.20    |
| Solid Waste Collection:                     |                              |                             |                    |                    |             |
| Garbage and Trash Removal                   | 11,255.59                    | 17,790.79                   | 29,046.38          | 7,927.07           | 21,119.31   |
| Buildings and Grounds                       | 2,602.70                     | 6,264.58                    | 8,867.28           | 4,292.06           | 4,575.22    |
| Vehicle Maintenance                         | 2,200.81                     | 11,020.95                   | 13,221.76          | 10,033.71          | 3,188.05    |
| Community Services Act                      |                              | 4,500.00                    | 4,500.00           |                    | 4,500.00    |
| PEOSHA Hepatitis B Immunization             | 1,250.00                     |                             | 1,250.00           |                    | 1,250.00    |
| Safety Regulators Coordinator               | 41.74                        |                             | 41.74              |                    | 41.74       |

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**SCHEDULE OF 2015 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2016**

|  | Balance<br>December 31, 2015 |                             | Balance<br>After | Paid or       | Balance       |
|--|------------------------------|-----------------------------|------------------|---------------|---------------|
|  | Appropriation<br>Reserves    | Reserve for<br>Encumbrances | Transfers        | Charged       | Lapsed        |
| Other Expenses:  |                              |                             |                  |               |               |
| Environmental Commission   | \$ 2,420.00                  |                             | \$ 2,420.00      |               | \$ 2,420.00   |
| Animal Control Services  | 2.00                         | \$ 1,059.00                 | 1,061.00         | \$ 1,059.00   | 2.00          |
| Contribution to Social Services Agencies   |                              | 1,920.00                    | 1,920.00         | 1,860.00      | 60.00         |
| Recreation   | 10,378.33                    | 1,948.56                    | 12,326.89        | 1,501.99      | 10,824.90     |
| Celebration of Public Events   | 1,850.87                     | 299.87                      | 2,150.74         | 299.87        | 1,850.87      |
| Maintenance of Parks   | 153.59                       | 251.75                      | 405.34           |               | 405.34        |
| Electricity  | 3,854.35                     |                             | 3,854.35         | 3,060.70      | 793.65        |
| Street Lighting  | 13,206.48                    |                             | 13,206.48        | 7,955.59      | 5,250.89      |
| Telephone  | 7,382.68                     | 158.00                      | 7,540.68         |               | 7,540.68      |
| Heat - Gas   | 5,506.79                     |                             | 5,506.79         |               | 5,506.79      |
| Gasoline   | 20,339.12                    | 768.67                      | 21,107.79        | 768.67        | 20,339.12     |
| Water  | 1,583.14                     | 506.33                      | 2,089.47         | 506.33        | 1,583.14      |
| Telecommunication Costs  | 2,072.29                     | 0.46                        | 2,072.75         |               | 2,072.75      |
| Uniform Construction Code - Appropriations Offset<br>by Dedicated Revenues (N.J.A.C. 5:23-4.17): |                              |                             |                  |               |               |
| Construction Code Department   | 611.22                       |                             | 611.22           |               | 611.22        |
| Contingent   | 3,700.00                     |                             | 3,700.00         |               | 3,700.00      |
| Deferred Charges and Statutory Expenditures -<br>Municipal Within "CAPS":                        |                              |                             |                  |               |               |
| Statutory Expenditures:  |                              |                             |                  |               |               |
| Contribution to:   |                              |                             |                  |               |               |
| Public Employees' Retirement System  | 9,438.00                     |                             | 9,438.00         |               | 9,438.00      |
| Social Security System (O.A.S.I.)  | 12,386.55                    |                             | 12,386.55        |               | 12,386.55     |
| Hurricane Sandy  | 0.33                         |                             | 0.33             |               | 0.33          |
| Capital Outlay - Upgrade to Security System  |                              | 7,000.00                    | 7,000.00         | 6,202.50      | 797.50        |
| Total Other Expenses   | 288,519.01                   | 211,502.20                  | 500,021.21       | 189,060.27    | 310,960.94    |
| Grand Total  | \$ 451,461.52                | \$ 211,502.20               | \$ 662,963.72    | \$ 192,660.27 | \$ 470,303.45 |

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE**  
**YEAR ENDED DECEMBER 31, 2016**

**BALANCE, DECEMBER 31, 2015**

|                       |                     |                 |
|-----------------------|---------------------|-----------------|
| School Taxes Payable  | \$ 509,670.00       |                 |
| Deferred School Taxes | <u>2,576,184.00</u> | \$ 3,085,854.00 |

**INCREASED BY**

|   |  |                     |
|---|--|---------------------|
| Levy - School Year July 1, 2016<br>to June 30, 2017 |  | <u>5,887,771.00</u> |
|---|--|---------------------|

8,973,625.00

**DECREASED BY**

|                |  |                     |
|----------------|--|---------------------|
| Cash Disbursed |  | <u>5,833,477.00</u> |
|----------------|--|---------------------|

**BALANCE, DECEMBER 31, 2016**

|                       |                     |                        |
|-----------------------|---------------------|------------------------|
| School Taxes Payable  | \$ 563,964.00       |                        |
| Deferred School Taxes | <u>2,576,184.00</u> | <u>\$ 3,140,148.00</u> |

**2016 LIABILITY FOR LOCAL DISTRICT SCHOOL TAX**

|   |  |                   |
|---|--|-------------------|
| 2016 School Taxes Paid                        |  | \$ 5,833,477.00   |
| Less: School Taxes Payable, December 31, 2015 |  | <u>509,670.00</u> |

5,323,807.00

|  |  |                   |
|--|--|-------------------|
| Add: School Taxes Payable, December 31, 2016 |  | <u>563,964.00</u> |
|--|--|-------------------|

|   |  |                               |
|---|--|-------------------------------|
| <b><u>AMOUNT CHARGED TO 2016 OPERATIONS</u></b> |  | <b><u>\$ 5,887,771.00</u></b> |
|---|--|-------------------------------|

**BOROUGH OF BRADLEY BEACH**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Grant</u>                                   | Balance<br>December 31,<br><u>2015</u> | 2016<br>Budget<br>Revenue<br><u>Realized</u> | Added<br>By<br>N.J.S.A.<br><u>40A:4-87</u> | Unappropriated<br>Reserve<br><u>Applied</u> | <u>Receipt</u>      | Balance<br>December 31,<br><u>2016</u> |
|--|--|--|--|---|---------------------|--|
| Alliance to Prevent Alcoholism and Drug Abuse: |  |  |  |   |                     |  |
| 2011   | \$ 453.52                              |  |  |   |                     | \$ 453.52                              |
| 2012   | 200.00                                 |  |  |   |                     | 200.00                                 |
| 2013   | 160.50                                 |  |  |   |                     | 160.50                                 |
| 2014   | 3,935.20                               |  |  |   |                     | 3,935.20                               |
| 2015   | 14,636.00                              |  |  |   | \$ 1,275.00         | 13,361.00                              |
| 2016   |  | \$ 20,000.00                                 |  |   | 8,800.00            | 11,200.00                              |
| Drunk Driving Enforcement Fund                 |  | 5,268.23                                     |  | \$ 5,268.23                                 |                     |  |
| Alcohol Education and Rehabilitation Fund      |  | 530.40                                       |  | 530.40                                      |                     |  |
| Body Armor Replacement Fund                    |  |  | \$ 1,863.38                                |   | 1,863.38            |  |
| Body Worn Camera                               |  |  | 3,000.00                                   |   |                     | 3,000.00                               |
| Clean Communities Grant                        |  |  | 14,797.86                                  |   | 14,797.86           |  |
| Green Acres Lot Parking Meter Fees 2016        |  | 9,119.00                                     |  |   | 9,119.00            |  |
| Total Grants Receivable                        | \$ <u>19,385.22</u>                    | \$ <u>34,917.63</u>                          | \$ <u>19,661.24</u>                        | \$ <u>5,798.63</u>                          | \$ <u>35,855.24</u> | \$ <u>32,310.22</u>                    |

**BOROUGH OF BRADLEY BEACH**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**YEAR ENDED DECEMBER 31, 2016**

|  | Balance<br>December 31,<br><u>2015</u> | Transferred from<br>2016 Budget<br><u>Appropriations</u> | Appropriation<br>by 40A:4-87 | <u>Expended</u>     | Balance<br>December 31,<br><u>2016</u> |
|--|--|--|------------------------------|---------------------|--|
| Drunk Driving Enforcement Fund                   | \$ 728.72                              |  |                              | \$ 728.72           |  |
| Drunk Driving Enforcement Fund - 2013            | 3,103.91                               |  |                              | 1,740.38            | \$ 1,363.53                            |
| Drunk Driving Enforcement Fund - 2016            |  | \$ 5,268.23  |                              |                     | 5,268.23                               |
| Alcohol Education and Rehabilitation Fund - 2013 | 377.74                                 |  |                              |                     | 377.74                                 |
| Alcohol Education and Rehabilitation Fund - 2015 | 118.16                                 |  |                              |                     | 118.16                                 |
| Alcohol Education and Rehabilitation Fund - 2016 |  | 530.40   |                              |                     | 530.40                                 |
| Bullet Proof Vest Program                        | 158.27                                 |  |                              |                     | 158.27                                 |
| Fletcher Lake - Phase I                          | 5,745.00                               |  |                              |                     | 5,745.00                               |
| NJ Wetlands Restoration - 2013                   | 141.91                                 |  |                              |                     | 141.91                                 |
| Alliance to Prevent Alcoholism and Drug Abuse:   |  |  |                              |                     |  |
| Grant Portion - 2012                             | 827.70                                 |  |                              |                     | 827.70                                 |
| Grant Portion - 2013                             | 910.50                                 |  |                              |                     | 910.50                                 |
| Grant Portion - 2014                             | 3,185.20                               |  |                              |                     | 3,185.20                               |
| Grant Portion - 2015                             | 15,364.00                              |  |                              | 5,364.00            | 10,000.00                              |
| Grant Portion - 2016                             |  | 20,000.00  |                              | 10,442.66           | 9,557.34                               |
| Matching Portion - 2013                          | 2,013.83                               |  |                              |                     | 2,013.83                               |
| Matching Portion - 2014                          | 1,897.16                               |  |                              |                     | 1,897.16                               |
| Green Acres Lot Parking Meter Fees - 2010        | 6,038.31                               |  |                              | 1,221.15            | 4,817.16                               |
| Green Acres Lot Parking Meter Fees - 2011        | 19.75                                  |  |                              |                     | 19.75                                  |
| Green Acres Lot Parking Meter Fees - 2013        | 2,639.83                               |  |                              |                     | 2,639.83                               |
| Green Acres Lot Parking Meter Fees - 2014        | 1,055.95                               |  |                              |                     | 1,055.95                               |
| Green Acres Lot Parking Meter Fees - 2015        | 415.86                                 |  |                              |                     | 415.86                                 |
| Green Acres Lot Parking Meter Fees - 2016        |  | 9,119.00   |                              |                     | 9,119.00                               |
| NJ Direct Install Program                        |  |  | \$ 6,000.00                  | 6,000.00            |  |
| NJ Corporation Wetlands Restoration              | 452.78                                 |  |                              |                     | 452.78                                 |
| NJ Clean Communities Program                     |  |  | 14,797.86                    |                     | 14,797.86                              |
| Body Armor Replacement Program - 2015            | 325.27                                 |  |                              |                     | 325.27                                 |
| Body Armor Replacement Program - 2016            |  |  | 1,863.38                     |                     | 1,863.38                               |
| Body Worn Camera                                 |  |  | 3,000.00                     |                     | 3,000.00                               |
| Green Acres Lot Parking Meter Fees - 2012        | 2,234.87                               |  |                              |                     | 2,234.87                               |
|  | <u>\$ 61,511.21</u>                    | <u>\$ 39,917.63</u>                                      | <u>\$ 25,661.24</u>          | <u>\$ 29,289.86</u> | <u>\$ 97,800.22</u>                    |
| Detail:  |  |  |                              |                     |  |
| Cash Disbursed                                   |  |  |                              | \$ 23,289.86        |  |
| Reserve for Encumbrances                         |  |  |                              | <u>6,000.00</u>     |  |

**BOROUGH OF BRADLEY BEACH  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2016**

| <u>Grant</u>                          | Balance<br>December 31,<br><u>2015</u> | <u>Receipts</u>    | Transferred to<br>2016 Budget<br><u>Revenue</u> | Balance<br>December 31,<br><u>2016</u> |
|---------------------------------------|--|--------------------|---|--|
| State: Drunk Driving Enforcement Fund | \$ 5,268.23                            | \$ 3,386.89        | \$ 5,268.23                                     | \$ 3,386.89                            |
| Municipal Court Alcohol Education     | <u>530.40</u>                          | <u>241.73</u>      | <u>530.40</u>                                   | <u>241.73</u>                          |
|                                       | <u>\$ 5,798.63</u>                     | <u>\$ 3,628.62</u> | <u>\$ 5,798.63</u>                              | <u>\$ 3,628.62</u>                     |

**TRUST FUNDS**

**BOROUGH OF BRADLEY BEACH**  
**TRUST OTHER FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**YEAR ENDED DECEMBER 31, 2016**

|   | Balance<br>December 31,<br><u>2015</u> | Increased by<br><u>Receipts</u> | Decreased by<br><u>Disbursements</u> | Balance<br>December 31,<br><u>2016</u> |
|---|--|---------------------------------|--------------------------------------|--|
| Reserve for:  |  |                                 |                                      |  |
| Recycling Program (per N.J.S. 40A:4-39)                   | \$ 31,630.64                           | \$ 3,526.34                     | \$ 24,740.00                         | \$ 10,416.98                           |
| Insurance Commission (per N.J.S.A. 40A:4-39)              | 1,368.22                               | 501.76                          | 1,003.31                             | 866.67                                 |
| Public Library  | 849.43                                 | 849.43                          | 1,698.86                             |  |
| Parking Offenses Adjudication Act (per N.J.S.A. 40A:4-39) | 1,409.53                               | 912.00                          | 342.50                               | 1,979.03                               |
| Escrow Fees (per N.J.S. 40A:4-39)                         | 100,055.66                             | 57,412.62                       | 126,875.26                           | 30,593.02                              |
| Alcohol and Drug Abuse Alliance (per N.J.S. 40A:4-39)     | 443.02                                 | 0.04                            |                                      | 443.06                                 |
| Law Enforcement Trust                                     | 14,363.69                              | 6,032.31                        | 1.55                                 | 20,394.45                              |
| Relocation Assistance (N.J.S.A. 40A:4-39)                 | 1,077.57                               | 6.04                            | 3.46                                 | 1,080.15                               |
| Fire Prevention Fees (N.J.S.A. 40A:4-39)                  | 2,330.51                               | 10.92                           | 0.79                                 | 2,340.64                               |
| Public Defender Fees (N.J.S.A. 40A:4-39)                  | 3,200.47                               | 8,214.42                        | 5,700.94                             | 5,713.95                               |
| Shade Tree  | 2,646.00                               | 0.02                            | 0.01                                 | 2,646.01                               |
| Tax Sale Premiums   | 391,695.00                             | 242,300.00                      | 481,695.00                           | 152,300.00                             |
| Outside Employment  | 86,083.30                              | 105,653.00                      | 63,888.00                            | 127,848.30                             |
| Redemption of Tax Title Liens                             | 1,138.80                               | 8,726.42                        | 1,138.80                             | 8,726.42                               |
| Street Opening Deposit                                    | 5,830.50                               | 3,500.00                        |                                      | 9,330.50                               |
| Bid Monies  | 2,000.00                               |                                 |                                      | 2,000.00                               |
| Insurance   | 53,021.41                              | 4,446.58                        | 440.00                               | 57,027.99                              |
| Light Pole  | 182.00                                 |                                 |                                      | 182.00                                 |
| Jr. Lifeguard Program                                     | 10,981.75                              | 9,245.00                        | 8,482.76                             | 11,743.99                              |
| Scholarships  | 1,651.26                               |                                 |                                      | 1,651.26                               |
| Concession Security                                       | 20,246.62                              | 4,206.88                        | 6,398.25                             | 18,055.25                              |
| Miscellaneous   | 18,761.73                              | 33,199.31                       | 29,270.10                            | 22,690.94                              |
| Memorial Day Parade/Craft Fair                            | 22,476.30                              | 67,946.10                       | 56,638.91                            | 33,783.49                              |
| Arts Council Donations                                    | 10.52                                  | 50.00                           |                                      | 60.52                                  |
| Beach Fountain  | 3,532.40                               |                                 |                                      | 3,532.40                               |
| OEM Trust   | 2,000.00                               |                                 |                                      | 2,000.00                               |
| Snow Removal For Prior Year                               | 15,020.49                              | 1,000.00                        | 2,000.00                             | 14,020.49                              |
| Rec Sign Donations  | 75.00                                  |                                 |                                      | 75.00                                  |
| Memorial Benches  | 3,600.00                               | 17,325.00                       | 1,223.84                             | 19,701.16                              |
|   | <u>\$ 797,681.82</u>                   | <u>\$ 575,064.19</u>            | <u>\$ 811,542.34</u>                 | <u>\$ 561,203.67</u>                   |



BOROUGH OF BRADLEY BEACH  
TRUST OTHER FUND  
SCHEDULE OF RESERVE FOR NEW JERSEY UNEMPLOYMENT  
COMPENSATION INSURANCE  
YEAR ENDED DECEMBER 31, 2016

|                                   |    |            |
|-----------------------------------|----|------------|
| <u>BALANCE, DECEMBER 31, 2015</u> | \$ | 134,780.88 |
|-----------------------------------|----|------------|

INCREASED BY

Budget Appropriations:

|   |    |           |           |
|---|----|-----------|-----------|
| Current Fund                                | \$ | 10,000.00 |           |
| Beach Utility Operating Fund                |    | 10,000.00 |           |
| Sewer Utility Operating Fund                |    | 15,000.00 |           |
| Interest Earned on Investments and Deposits |    | 13.56     | 35,013.56 |

169,794.44

DECREASED BY

|   |  |           |
|---|--|-----------|
| Unemployment Compensation Claims/Charges Paid |  | 18,572.97 |
|---|--|-----------|

|                                   |    |            |
|-----------------------------------|----|------------|
| <u>BALANCE, DECEMBER 31, 2016</u> | \$ | 151,221.47 |
|-----------------------------------|----|------------|

**BOROUGH OF BRADLEY BEACH**  
**ANIMAL CONTROL TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**  
**YEAR ENDED DECEMBER 31, 2016**

|  |    |               |                        |
|--|----|---------------|------------------------|
| <u>BALANCE, DECEMBER 31, 2015</u>      |    | \$            | 4,353.21               |
| <u>INCREASED BY</u>                    |    |               |                        |
| Dog License Fees Collected             | \$ | 1,792.00      |                        |
| Late Fees                              |    | <u>580.00</u> | <u>2,372.00</u>        |
|  |    |               | 6,725.21               |
| <u>DECREASED BY</u>                    |    |               |                        |
| Expenditures Under R.S. 4:19-15.11     |    | 1,819.44      |                        |
| Statutory Excess - Due to Current Fund |    | <u>37.77</u>  | <u>1,857.21</u>        |
| <u>BALANCE, DECEMBER 31, 2016</u>      |    | \$            | <u><u>4,868.00</u></u> |

LICENSE FEES COLLECTED

| <u>Year</u> | <u>Amount</u>             |
|-------------|---------------------------|
| 2014        | \$ 2,667.00               |
| 2015        | <u>2,201.00</u>           |
|             | <u><u>\$ 4,868.00</u></u> |

AUDITOR'S NOTE

R.S. 4:19-15.11

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

**BOROUGH OF BRADLEY BEACH**  
**TOURISM TRUST FUND**  
**SCHEDULE OF RESERVE FOR TOURISM**  
**YEAR ENDED DECEMBER 31, 2016**

|                                   |    |             |                         |
|-----------------------------------|----|-------------|-------------------------|
| <u>BALANCE, DECEMBER 31, 2015</u> |    | \$          | 15,776.79               |
| <u>INCREASED BY</u>               |    |             |                         |
| Cash Receipts                     | \$ | 52,850.74   |                         |
| Interest Earned                   |    | <u>1.86</u> | <u>52,852.60</u>        |
|                                   |    |             | 68,629.39               |
| <u>DECREASED BY</u>               |    |             |                         |
| Cash Disbursed                    |    |             | <u>53,927.45</u>        |
| <u>BALANCE, DECEMBER 31, 2016</u> |    | \$          | <u><u>14,701.94</u></u> |

**GENERAL CAPITAL FUND**



**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF CASH AND CASH EQUIVALENTS**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Ordinance<br/>Number</u> | <u>Description</u>                                     | Balance<br>December 31,<br>2015 | <u>Receipts</u>           |                                    |                      | <u>Disbursements</u>                  |                      | <u>Transfers</u>     |                      | Balance<br>December 31,<br>2016 |
|-----------------------------|--|---------------------------------|---------------------------|------------------------------------|----------------------|---------------------------------------|----------------------|----------------------|----------------------|---------------------------------|
|                             |  |                                 | <u>Grant<br/>Proceeds</u> | <u>Bond Anticipation<br/>Notes</u> | <u>Miscellaneous</u> | <u>Improvement<br/>Authorizations</u> | <u>Miscellaneous</u> | <u>From</u>          | <u>To</u>            |                                 |
| 05-22/<br>06-07/06-18       | Various Road Improvements -<br>Fifth Avenue            | \$ 3,193.15                     |                           |                                    |                      |                                       |                      |                      |                      | \$ 3,193.15                     |
| 06-19                       | Fletcher Lake Flume<br>Improvements                    | 2,877.46                        |                           |                                    |                      |                                       |                      |                      |                      | 2,877.46                        |
| 06-21                       | Sylvan Lake Bulk Heading<br>Phase III                  | 9,075.90                        |                           |                                    |                      | \$ 948.00                             |                      | \$ 4,900.00          |                      | 3,227.90                        |
| 07-16/<br>09-05/11-22       | Acquisition and Installation<br>of Solar Panels        | 4,940.35                        |                           |                                    |                      |                                       |                      | 950.00               |                      | 3,990.35                        |
| 08-06                       | Replacement of the Sylvan<br>Lake Bulkhead - Phase IV  | 26,059.32                       |                           |                                    |                      | 15,539.31                             |                      |                      |                      | 10,520.01                       |
| 08-07                       | Various 2008 Roadway<br>Improvements                   | 14,062.57                       |                           |                                    |                      |                                       |                      |                      |                      | 14,062.57                       |
| 09-13                       | Acquisition of Load and Pack<br>Vehicle                | 331.26                          |                           |                                    |                      |                                       |                      |                      |                      | 331.26                          |
| 09-10                       | Monmouth County Improvement<br>Authority Lease Program | 2,500.00                        |                           |                                    |                      |                                       |                      |                      |                      | 2,500.00                        |
| 10-05/11-18<br>12-07        | Various 2010 Roadway<br>Improvements                   | 82,074.44                       |                           |                                    |                      |                                       |                      |                      |                      | 82,074.44                       |
| 11-08/11-21<br>12-08        | Various 2011 Roadway<br>Improvements                   | 38,159.96                       |                           |                                    |                      |                                       |                      |                      |                      | 38,159.96                       |
| 11-09                       | Various Improvements to Lake<br>Terrace Park           | 1,580.64                        |                           |                                    |                      |                                       |                      |                      |                      | 1,580.64                        |
| 13-01/13-10                 | LaReine Ave Road Improvements                          | 165,734.63                      |                           |                                    |                      | 26,843.97                             |                      | 13,156.30            |                      | 125,734.36                      |
| 14-06                       | Improvements to Library                                | 765,796.36                      |                           |                                    |                      | 469,824.74                            |                      | 227,599.26           |                      | 68,372.36                       |
| 14-11                       | Police communication equipment                         | 21,650.87                       |                           |                                    |                      |                                       |                      |                      |                      | 21,650.87                       |
| 15-08                       | Ocean Avenue Curbs and Sidewalks                       | (115,292.67)                    |                           | \$ 118,750.00                      |                      | 3,375.69                              |                      |                      |                      | 81.64                           |
| 16-01                       | Acquisition of Real Property                           |                                 |                           | 604,750.00                         |                      | 633,354.87                            |                      | \$ 30,250.00         |                      | 1,645.13                        |
| 16-05                       | Ocean Park Avenue Improvements                         |                                 |                           |                                    |                      |                                       |                      |                      | 15,477.00            | 15,477.00                       |
|                             |  | <u>\$ 1,605,448.66</u>          | <u>\$ 130,808.48</u>      | <u>\$ 723,500.00</u>               | <u>\$ 189,642.54</u> | <u>\$ 1,160,605.84</u>                | <u>\$ 553,972.47</u> | <u>\$ 319,314.23</u> | <u>\$ 319,314.23</u> | <u>\$ 934,821.37</u>            |

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2016**

|                                   |                      | State of New Jersey<br>Department of Transportation |                      | Monmouth County            |
|-----------------------------------|----------------------|---|----------------------|----------------------------|
|                                   |                      | Ordinance   | Ordinance            | Open<br>Space<br>Grant     |
|                                   | <u>Total</u>         | <u>13-01</u>  | <u>13-10</u>         | <u>Ordinance<br/>11-09</u> |
| <u>BALANCE, DECEMBER 31, 2015</u> | \$ 315,985.00        | \$ 56,250.00  | \$ 250,000.00        | \$ 9,735.00                |
| <u>DECREASED BY</u>               |                      |   |                      |                            |
| Cash Receipt                      | <u>130,808.48</u>    |   | <u>130,808.48</u>    |                            |
| <u>BALANCE, DECEMBER 31, 2016</u> | <u>\$ 185,176.52</u> | <u>\$ 56,250.00</u>                                 | <u>\$ 119,191.52</u> | <u>\$ 9,735.00</u>         |
| Detail:                           |                      |   |                      |                            |
| Unreserved                        | <u>\$ 185,176.52</u> | <u>\$ 56,250.00</u>                                 | <u>\$ 119,191.52</u> | <u>\$ 9,735.00</u>         |
|                                   | <u>\$ 185,176.52</u> | <u>\$ 56,250.00</u>                                 | <u>\$ 119,191.52</u> | <u>\$ 9,735.00</u>         |

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION, UNFUNDED**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Ordinance<br/>Date/<br/>Number</u> | <u>Improvements</u>  | <u>Balance<br/>December 31,<br/>2015</u> | <u>2016<br/>Authorizations</u> | <u>Balance<br/>December 31,<br/>2016</u> | <u>Analysis of Balance<br/>December 31, 2016</u> |  |
|---------------------------------------|--|--|--------------------------------|--|--|--|
|                                       |  |  |                                |  | <u>Bond<br/>Anticipation<br/>Notes</u>           | <u>Unexpended<br/>Improvement<br/>Authorizations</u> |
| 07-09                                 | Capital Lease Guarantee  | \$ 52,000.00                             |                                | \$ 52,000.00                             |  | \$ 52,000.00   |
| 08-06                                 | Replacement of Sylvan Head<br>Bulkhead - Phase IV              | 500.00                                   |                                | 500.00                                   |  | 500.00   |
| 14-11                                 | Acquisition and Installation of Police<br>Communication System | 404.00                                   |                                | 404.00                                   |  | 404.00   |
| 15-08                                 | Ocean Avenue Curbs and Sidewalks                               | 118,750.00                               |                                | 118,750.00                               | \$ 118,750.00                                    |  |
| 16-01                                 | Real Property Acquisition                                      |  | \$ 604,750.00                  | 604,750.00                               | 604,750.00                                       |  |
| 16-05                                 | Ocean Park Avenue Improvements                                 |  | 309,523.00                     | 309,523.00                               |  | 309,523.00   |
|                                       |  | <u>\$ 171,654.00</u>                     | <u>\$ 914,273.00</u>           | <u>\$ 1,085,927.00</u>                   | <u>\$ 723,500.00</u>                             | <u>\$ 362,427.00</u>                                 |



**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Purpose</u>                   | <u>Date of<br/>Issue</u> | <u>Amount</u>   | <u>Maturity of<br/>Bonds Outstanding<br/>December 31, 2016</u> |               | <u>Interest<br/>Rate</u> | <u>Balance<br/>December 31,<br/>2015</u> | <u>Increased</u> | <u>Refunded</u> | <u>Paid</u>   | <u>Balance<br/>December 31,<br/>2016</u> |
|----------------------------------|--------------------------|-----------------|--|---------------|--------------------------|--|------------------|-----------------|---------------|--|
|                                  |                          |                 | <u>Date</u>  | <u>Amount</u> |                          |  |                  |                 |               |  |
| Refunding - 2000 Bonds           | 04/15/07                 | \$ 1,916,919.00 |  |               |                          | \$ 316,000.00                            |                  |                 | \$ 316,000.00 |  |
| General Improvements<br>Bonds    | 12/13/07                 | 3,733,000.00    | 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%                    | 1,962,000.00                             |                  | \$ 1,368,000.00 | 290,000.00    | \$ 304,000.00                            |
| General Improvement<br>Term Bond | 12/13/07                 | 383,000.00      | 12/1/22  | 383,000.00    | 4.25%                    | 383,000.00                               |                  | 383,000.00      |               |  |
| General Improvement<br>Bonds     | 12/24/14                 | 1,030,000.00    | 12/1/17  | 50,000.00     | 4.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/18  | 50,000.00     | 4.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/19  | 55,000.00     | 4.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/20  | 55,000.00     | 4.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/21  | 60,000.00     | 5.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/22  | 60,000.00     | 5.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/23  | 65,000.00     | 5.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/24  | 65,000.00     | 5.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/25  | 70,000.00     | 5.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/26  | 75,000.00     | 5.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/27  | 80,000.00     | 5.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/28  | 80,000.00     | 5.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/29  | 85,000.00     | 5.00%                    |  |                  |                 |               |  |
|                                  |                          |                 | 12/1/30  | 90,000.00     | 5.00%                    | 985,000.00                               |                  |                 | 45,000.00     | 940,000.00                               |

**BOROUGH OF BRADLEY BEACH  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2016**

| Purpose                      | Date of<br>Issue | Amount        | Maturity of<br>Bonds Outstanding<br>December 31, 2016 |              | Interest<br>Rate | Balance<br>December 31,<br>2015 | Increased       | Refunded        | Paid          | Balance<br>December 31,<br>2016 |
|------------------------------|------------------|---------------|---|--------------|------------------|---------------------------------|-----------------|-----------------|---------------|---------------------------------|
|                              |                  |               | Date  | Amount       |                  |                                 |                 |                 |               |                                 |
| Library Improvement<br>Bonds | 12/24/14         | \$ 780,000.00 | 12/1/17   | \$ 25,000.00 | 4.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/18   | 25,000.00    | 4.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/19   | 25,000.00    | 4.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/20   | 25,000.00    | 4.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/21   | 30,000.00    | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/22   | 30,000.00    | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/23   | 30,000.00    | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/24   | 30,000.00    | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/25   | 35,000.00    | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/26   | 35,000.00    | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/27   | 40,000.00    | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/28   | 40,000.00    | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/29   | 40,000.00    | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/30   | 45,000.00    | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/31   | 45,000.00    | 4.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/32   | 50,000.00    | 4.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/33   | 50,000.00    | 3.25%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/34   | 50,000.00    | 3.25%            | \$ 715,000.00                   |                 |                 | \$ 65,000.00  | \$ 650,000.00                   |
| MCIA Refunding Bonds         | 03/24/16         | 1,665,000.00  | 12/1/18   | 300,000.00   | 4.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/19   | 315,000.00   | 4.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/20   | 330,000.00   | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/21   | 345,000.00   | 5.00%            |                                 |                 |                 |               |                                 |
|                              |                  |               | 12/1/22   | 360,000.00   | 5.00%            |                                 | \$ 1,665,000.00 |                 | 15,000.00     | 1,650,000.00                    |
|                              |                  |               |   |              |                  |                                 |                 |                 |               |                                 |
|                              |                  |               |   |              |                  | \$ 4,361,000.00                 | \$ 1,665,000.00 | \$ 1,751,000.00 | \$ 731,000.00 | \$ 3,544,000.00                 |

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DUE TO STATE OF NEW JERSEY - GREEN TRUST LOAN**  
**YEAR ENDED DECEMBER 31, 2016**

| Purpose  | Date of<br>Issue | Amount of<br>Issue | Loan Outstanding<br>December 31, 2016 |              | Interest<br>Rate | Balance              | Decreased    | Balance              |
|--|------------------|--------------------|---------------------------------------|--------------|------------------|----------------------|--------------|----------------------|
|  |                  |                    | Date                                  | Amount       |                  | December 31,<br>2015 |              | December 31,<br>2016 |
| Parks, Playground and<br>Recreation Improvements -<br>Green Trust Loan | 9/22/04          | \$ 400,000.00      | 3/22/2017                             | \$ 10,389.27 | 2.00%            | \$ 199,767.63        | \$ 20,470.97 | \$ 179,296.66        |
|  |                  |                    | 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    |                  |                      |              |                      |
|  |                  |                    |                                       |              |                  | \$ 199,767.63        | \$ 20,470.97 | \$ 179,296.66        |

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**YEAR ENDED DECEMBER 31, 2016**

| Ordinance<br>Number   | Description  | Ordinance                          |                 | Balance<br>December 31, 2015 |          | 2016 Authorizations                          |                                | Paid or<br>Charged | Balance<br>December 31, 2016 |          |
|-----------------------|--|------------------------------------|-----------------|------------------------------|----------|--|--------------------------------|--------------------|------------------------------|----------|
|                       |  | Date                               | Amount          | Funded                       | Unfunded | Deferred<br>Charges<br>to Future<br>Taxation | Capital<br>Improvement<br>Fund |                    | Funded                       | Unfunded |
| 98-04                 | Development and<br>Implementation of<br>a Housing Rehabilitation<br>Program                            | 05/18/98                           | \$ 1,900,000.00 | \$ 15,235.76                 |          |  |                                |                    | \$ 15,235.76                 |          |
| 03-23/<br>04-12/06-16 | Renovation of the Police<br>and Administration Areas<br>(CDBG) \$194,662                               | 11/25/03,<br>11/23/04,<br>07/25/06 | 2,875,000.00    | 108,522.08                   |          |  |                                | \$ 37,700.93       | 70,821.15                    |          |
| 04-05                 | Repair and/or Replacement<br>of the Flume at Fletcher Lake<br>and the Extension of the<br>Outfall Pipe | 03/22/04                           | 14,500.00       | 12,534.64                    |          |  |                                |                    | 12,534.64                    |          |
| 05-07/<br>06-06       | Upgrades to the Emergency<br>Communication System<br>(Contingency Fund<br>\$275,000)                   | 02/22/05,<br>02/28/06              | 570,000.00      | 12,817.58                    |          |  |                                |                    | 12,817.58                    |          |
| 05-22/<br>06-07/06-18 | Various Roadway, Intersection<br>Fifth Avenue Improvements<br>(NJ DOT \$265,000)                       | 06/28/05,<br>02/28/06,<br>11/28/06 | 750,000.00      | 3,193.15                     |          |  |                                |                    | 3,193.15                     |          |
| 06-19                 | Fletcher Lake Flume<br>Improvements  | 11/28/06                           | 125,000.00      | 2,877.46                     |          |  |                                |                    | 2,877.46                     |          |
| 06-20                 | Various Improvements to<br>Phase III   | 12/29/06                           | 150,000.00      | 9,075.90                     |          |  |                                | 5,848.00           | 3,227.90                     |          |

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**YEAR ENDED DECEMBER 31, 2016**

| Ordinance<br>Number   | Description   | Ordinance |               | Balance<br>December 31, 2015 |              | 2016 Authorizations                          |                                | Paid or<br>Charged | Balance<br>December 31, 2016 |               |
|-----------------------|---|-----------|---------------|------------------------------|--------------|--|--------------------------------|--------------------|------------------------------|---------------|
|                       |   | Date      | Amount        | Funded                       | Unfunded     | Deferred<br>Charges<br>to Future<br>Taxation | Capital<br>Improvement<br>Fund |                    | Funded                       | Unfunded      |
| 07-09                 | Capital Lease Guarantee   | 07/24/07  | \$ 120,000.00 |                              | \$ 52,000.00 |  |                                |                    | \$                           | 52,000.00     |
| 07-16/<br>09-5 /11-22 | Acquisition and Installation<br>of Solar Panels<br>(NJ BPU \$88,000)  | 10/09/07  | 291,511.91 \$ | 4,940.35                     |              |  |                                | \$ 950.00          | \$ 3,990.35                  |               |
| 08-06                 | Replacement of Sylvan Head<br>Bilkhead - Phase IV<br>(CDBG \$194,000) | 06/10/08  | 400,000.00    | 26,059.32                    | 500.00       |  |                                | 15,539.31          | 10,520.01                    | 500.00        |
| 08-07                 | Various 2008 Roadway<br>Improvements<br>(NJDOT \$160,000)             | 06/10/08  | 330,000.00    | 14,062.57                    |              |  |                                |                    | 14,062.57                    |               |
| 09-13                 | Acquisition of Load and Pack<br>Vehicle                               | 11/10/09  | 41,000.00     | 331.26                       |              |  |                                |                    | 331.26                       |               |
| 09-10                 | Monmouth County Improvement<br>Authority Lease Program                | 07/28/09  | 27,500.00     | 2,500.00                     |              |  |                                |                    | 2,500.00                     |               |
| 10-05/<br>11-18/12-07 | Various 2010 Roadway<br>Improvements NJDOT \$210,000                  | Var.      | 497,000.00    | 82,074.44                    |              |  |                                |                    | 82,074.44                    |               |
| 11-08/<br>11-21/12-08 | Various 2011 Roadway<br>Improvements                                  | Var.      | 640,000.00    | 38,159.96                    |              |  |                                |                    | 38,159.96                    |               |
| 11-09                 | Improvements to Lake Terrace Park                                     | 11/09/11  | 60,000.00     | 1,580.64                     |              |  |                                |                    | 1,580.64                     |               |
| 13-01/13-10           | LaReine Ave Road Improvements   | 02/27/13  | 730,000.00    | 165,734.63                   |              |  |                                | 40,000.27          | 125,734.36                   |               |
| 14-6                  | Improvements to the Library   | 03/11/14  | 900,000.00    | 765,796.36                   |              |  |                                | 697,424.00         | 68,372.36                    |               |
| 14-11                 | Police Communications Equipment                                       | 04/22/14  | 150,000.00    | 21,650.87                    | 404.00       |  |                                |                    | 21,650.87                    | 404.00        |
| 15-08                 | Ocean Avenue Curbs and Sidewalks                                      | 05/26/15  | 125,000.00    |                              | 3,457.33     |  |                                | 3,375.69           |                              | 81.64         |
| 16-01                 | Acquisition of Real Property  | 01/26/16  | 635,000.00    |                              |              | \$ 604,750.00                                | \$ 30,250.00                   | 633,354.87         |                              | 1,645.13      |
| 16-05                 | Ocean Park Avenue Improvements  | 02/09/16  | 325,000.00    |                              |              | 309,523.00                                   | 15,477.00                      |                    | 15,477.00                    | 309,523.00    |
|                       |   |           |               | \$ 1,287,146.97              | \$ 56,361.33 | \$ 914,273.00                                | \$ 45,727.00                   | \$ 1,434,193.07    | \$ 505,161.46                | \$ 364,153.77 |

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**YEAR ENDED DECEMBER 31, 2016**

|                                      |    |                 |                         |
|--------------------------------------|----|-----------------|-------------------------|
| <u>BALANCE, DECEMBER 31, 2015</u>    |    | \$              | 58,528.76               |
| <u>INCREASED BY</u>                  |    |                 |                         |
| 2016 Budget Appropriation            |    |                 | <u>44,000.00</u>        |
|                                      |    |                 | 102,528.76              |
| <u>DECREASED BY</u>                  |    |                 |                         |
| Appropriated to Finance Improvement  |    |                 |                         |
| Authorizations                       | \$ | 45,727.00       |                         |
| Preliminary Costs - Land Acquisition |    | <u>7,000.00</u> | <u>52,727.00</u>        |
| <u>BALANCE, DECEMBER 31, 2016</u>    |    | \$              | <u><u>49,801.76</u></u> |

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Ordinance<br/>Number</u> | <u>Improvement<br/>Description</u> | <u>Date of<br/>Issue of<br/>Original<br/>Note</u> | <u>Date of<br/>Maturity</u> | <u>Interest<br/>Rate</u> | <u>Increased</u>     | <u>Balance<br/>December 31,<br/>2016</u> |
|-----------------------------|------------------------------------|---|-----------------------------|--------------------------|----------------------|--|
| 15-08                       | Ocean Avenue Curbs and Sidewalks   | 5/23/2016   | 5/23/2017                   | 2.000%                   | \$ 118,750.00        | \$ 118,750.00                            |
| 16-01                       | Acquisition of Real Property       | 5/23/2016   | 5/23/2017                   | 2.000%                   | 604,750.00           | 604,750.00                               |
|                             |                                    |   |                             |                          | <u>\$ 723,500.00</u> | <u>\$ 723,500.00</u>                     |

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Ordinance<br/>Number</u> | <u>Improvements</u>  | <u>Balance<br/>December 31,<br/>2015</u> | <u>2016<br/>Authorizations</u> | <u>Bond<br/>Anticipation<br/>Notes Issued</u> | <u>Balance<br/>December 31,<br/>2016</u> |
|-----------------------------|--|--|--------------------------------|---|--|
| 07-09                       | Capital Lease Guarantee  | \$ 52,000.00                             |                                |   | \$ 52,000.00                             |
| 08-06                       | Replacement of Sylvan Lake<br>Bulkhead - Phase IV                  | 500.00                                   |                                |   | 500.00                                   |
| 14-11                       | Acquisition and Installation of<br>Police Communications Equipment | 404.00                                   |                                |   | 404.00                                   |
| 15-08                       | Ocean Avenue Curbs and Sidewalks                                   | 118,750.00                               |                                | \$ 118,750.00                                 |  |
| 16-01                       | Acquisition of Real Property                                       |  | \$ 604,750.00                  | 604,750.00                                    |  |
| 16-05                       | Ocean Park Avenue Improvements                                     |  | 309,523.00                     |   | 309,523.00                               |
|                             |  | <u>\$ 171,654.00</u>                     | <u>\$ 914,273.00</u>           | <u>\$ 723,500.00</u>                          | <u>\$ 362,427.00</u>                     |



**UTILITY OPERATING FUNDS - COMBINED STATEMENTS**

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**SCHEDULE OF 2015 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2016**

|  | Balance<br>December 31, 2015      |                                     | Balance<br>After<br>Transfers | Paid or<br>Charged  | Balance<br>Lapsed    |
|--|-----------------------------------|-------------------------------------|-------------------------------|---------------------|----------------------|
|  | <u>Appropriation<br/>Reserves</u> | <u>Reserve for<br/>Encumbrances</u> |                               |                     |                      |
| <u>OPERATING</u>                                       |                                   |                                     |                               |                     |                      |
| Salaries and Wages                                     | \$ 51,900.78                      |                                     | \$ 51,900.78                  |                     | \$ 51,900.78         |
| Other Expenses   | 75,779.02                         | \$ 26,213.41                        | 101,992.43                    | \$ 22,968.56        | 79,023.87            |
| <u>CAPITAL IMPROVEMENTS</u>                            |                                   |                                     |                               |                     |                      |
| Capital Outlay   | 1,251.00                          | 7,000.00                            | 8,251.00                      | 6,202.50            | 2,048.50             |
| <u>DEFERRED CHARGES AND STATUTORY<br/>EXPENDITURES</u> |                                   |                                     |                               |                     |                      |
| Statutory Expenditures:                                |                                   |                                     |                               |                     |                      |
| Contribution to:                                       |                                   |                                     |                               |                     |                      |
| Social Security System (O.A.S.I.)                      | 636.46                            |                                     | 636.46                        |                     | 636.46               |
|  | <u>\$ 129,567.26</u>              | <u>\$ 33,213.41</u>                 | <u>\$ 162,780.67</u>          | <u>\$ 29,171.06</u> | <u>\$ 133,609.61</u> |

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**  
**YEAR ENDED DECEMBER 31, 2016**

BALANCE, DECEMBER 31, 2015 \$ 9,551.45

INCREASED BY

Budget Appropriations:

Interest on Bonds

\$ 71,669.38

Interest on Notes

8,125.00

79,794.38

89,345.83

DECREASED BY

Cash Disbursed

75,550.00

BALANCE, DECEMBER 31, 2016

\$ 13,795.83

ANALYSIS OF BALANCE

| <u>Description</u>                                     | <u>Amount<br/>Outstanding<br/>December 31,<br/>2016</u> | <u>Interest<br/>Rate</u> | <u>From</u> | <u>To</u> | <u>Accrual<br/>Period</u> | <u>Accrual</u>      |
|--|---|--------------------------|-------------|-----------|---------------------------|---------------------|
| Bond Anticipation Notes                                | \$ <u>635,000.00</u>                                    | 2.00%                    | 05/23/16    | 12/31/16  | 217 Days                  | \$ <u>7,655.28</u>  |
| Serial Bonds - 2007                                    | \$ 98,000.00  | 5.00%                    | 12/01/16    | 12/31/16  | 30 Days                   | 408.33              |
| Serial Bonds - 2014                                    | <u>1,345,000.00</u>                                     | Var.                     | 12/01/16    | 12/31/16  | 30 Days                   | <u>5,262.50</u>     |
|  | \$ <u>1,443,000.00</u>                                  |                          |             |           |                           | <u>5,670.83</u>     |
|  |   |                          |             |           |                           | 13,326.11           |
| Add: Excess to be Utilized in Subsequent Year's Budget |   |                          |             |           |                           | <u>469.72</u>       |
|  |   |                          |             |           |                           | <u>\$ 13,795.83</u> |

**BEACH UTILITY OPERATING FUND**

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2016**

|                                   |                  |    |                         |
|-----------------------------------|------------------|----|-------------------------|
| <u>BALANCE, DECEMBER 31, 2015</u> |                  | \$ | 98,907.25               |
| <u>INCREASED BY</u>               |                  |    |                         |
| Sewer Charges Levied              |                  |    | <u>1,987,011.37</u>     |
|                                   |                  |    | 2,085,918.62            |
| <u>DECREASED BY</u>               |                  |    |                         |
| Receipts                          | \$ 1,981,731.12  |    |                         |
| Overpayments Applied              | 12,023.71        |    |                         |
| Prepayments Applied               | <u>15,434.43</u> |    | <u>2,009,189.26</u>     |
| <u>BALANCE, DECEMBER 31, 2016</u> |                  | \$ | <u><u>76,729.36</u></u> |

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF 2015 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2016**

|   | Balance<br>December 31, 2015      |                                     | Balance<br>After<br>Transfers | Paid or<br>Charged   | Balance<br>Lapsed   |
|---|-----------------------------------|-------------------------------------|-------------------------------|----------------------|---------------------|
|   | <u>Appropriation<br/>Reserves</u> | <u>Reserve for<br/>Encumbrances</u> |                               |                      |                     |
| <u>OPERATING</u>  |                                   |                                     |                               |                      |                     |
| Salaries and Wages  | \$ 10,050.54                      |                                     | \$ 10,050.54                  |                      | \$ 10,050.54        |
| Other Expenses  | 60,960.00                         | \$ 60,479.02                        | 121,439.02                    | \$ 70,337.75         | 51,101.27           |
| Sewer Service Agreement with the<br>Neptune Township Sewerage Authority | 138.00                            |                                     | 138.00                        |                      | 138.00              |
| <u>CAPITAL IMPROVEMENTS</u>   |                                   |                                     |                               |                      |                     |
| Capital Outlay  |                                   | 40,107.00                           | 40,107.00                     | 39,309.50            | 797.50              |
| <u>DEFERRED CHARGES AND<br/>STATUTORY EXPENDITURES</u>                  |                                   |                                     |                               |                      |                     |
| Statutory Expenditures:   |                                   |                                     |                               |                      |                     |
| Contribution to:  |                                   |                                     |                               |                      |                     |
| Social Security System (O.A.S.I.)                                       | <u>4,529.58</u>                   |                                     | <u>4,529.58</u>               |                      | <u>4,529.58</u>     |
|   | <u>\$ 75,678.12</u>               | <u>\$ 100,586.02</u>                | <u>\$ 176,264.14</u>          | <u>\$ 109,647.25</u> | <u>\$ 66,616.89</u> |

BOROUGH OF BRADLEY BEACH  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
YEAR ENDED DECEMBER 31, 2016

|  |               |          |          |          |         |                    |                    |
|--|---------------|----------|----------|----------|---------|--------------------|--------------------|
| <u>BALANCE, DECEMBER 31, 2015</u>                      |               |          |          |          |         |                    | \$ 3,887.21        |
| <u>INCREASED BY</u>                                    |               |          |          |          |         |                    |                    |
| Budget Appropriations:                                 |               |          |          |          |         |                    |                    |
| Interest on Bonds                                      |               |          |          |          |         |                    | <u>34,500.00</u>   |
|  |               |          |          |          |         |                    | 38,387.21          |
| <u>DECREASED BY</u>                                    |               |          |          |          |         |                    |                    |
| Cash Disbursed   |               |          |          |          |         |                    | <u>34,500.00</u>   |
| <u>BALANCE, DECEMBER 31, 2016</u>                      |               |          |          |          |         |                    | \$ <u>3,887.21</u> |
| <u>ANALYSIS OF BALANCE</u>                             |               |          |          |          |         |                    |                    |
|  | Amount        | Interest |          |          | Accrual |                    |                    |
|  | Outstanding   | Rate     | From     | To       | Period  | Accrual            |                    |
|  | December 31,  |          |          |          |         |                    |                    |
|  | <u>2016</u>   |          |          |          |         |                    |                    |
| Serial Bonds - 2014                                    | \$ 760,000.00 | Var.     | 12/01/16 | 12/31/16 | 30 Days | \$ 2,800.00        |                    |
| Add: Excess to be utilized in succeeding year's budget |               |          |          |          |         | <u>1,087.21</u>    |                    |
|  |               |          |          |          |         | \$ <u>3,887.21</u> |                    |

**BEACH UTILITY CAPITAL FUND**



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

|  | Balance<br>December 31,<br>2015   | <u>Receipts</u>      |  | <u>Disbursements</u>                  |                      |   | Balance<br>December 31,<br>2016 |
|--|---|----------------------|--|---------------------------------------|----------------------|---|---------------------------------|
|  |   | <u>Miscellaneous</u> | <u>Bond<br/>Anticipation<br/>Notes</u> | <u>Improvement<br/>Authorizations</u> | <u>Miscellaneous</u> | <u>Transfers</u><br><u>From</u> <u>To</u> |                                 |
| Capital Fund Balance                         | \$ 3,053.65   | \$ 6,148.70          |  |                                       |                      |   | \$ 9,202.35                     |
| Capital Improvement Fund                     | 27,899.61   | 9,000.00             |  |                                       |                      |   | 36,899.61                       |
| Reserve for Encumbrances                     | 88,177.81   |                      |  |                                       | \$ 46,913.90         | \$ 3,700.00      \$ 100,000.00            | 137,563.91                      |
| Accounts Payable                             | 7,125.00  |                      |  |                                       | 7,125.00             |   |                                 |
| Reserve for Upgrade to Public Safety Station | 10,500.00   | 14,820.00            |  |                                       | 2,500.00             |   | 22,820.00                       |
| Reserve for Public Works Generator           |   | 13,000.00            |  |                                       |                      |   | 13,000.00                       |
| Due to Beach Utility Operating Fund          | 23.87   | 162.39               |  |                                       | 138.52               |   | 47.74                           |
| Due from Current Fund                        | (17,508.17)   |                      |  |                                       |                      |   | (17,508.17)                     |
| <u>Ordinance<br/>Number</u>                  | <u>Description</u>  |                      |  |                                       |                      |   |                                 |
| 00-09  | Beach Erosion Control Project   | 42,784.85            |  | \$ 104.00                             |                      |   | 42,680.85                       |
| 04-05  | Repair and/or Replacement of the<br>Flume at Fletcher Lake and the<br>Extension of the Outfall Pipe | 2,375.50             |  |                                       |                      |   | 2,375.50                        |
| 07-11  | Various Beachfront Improvements   | 2,519.59             |  |                                       |                      |   | 2,519.59                        |
| 09-13  | Acquisition of a Load and Pack Vehicle  | 3,301.66             |  |                                       |                      |   | 3,301.66                        |
| 10-02  | Concession Trailer  | 2,108.28             |  |                                       |                      |   | 2,108.28                        |
| 12-09  | Beach Rake Acquisition  | 2,359.87             |  |                                       |                      |   | 2,359.87                        |
| 13-02  | Various Beach Improvements  | 137,836.02           |  | 16,278.52                             |                      | 100,000.00      3,700.00                  | 25,257.50                       |
| 14-05  | Parking Meter Pay Station Installation  | 13,442.80            |  |                                       |                      |   | 13,442.80                       |
| 16-02  | Land Acquisition  |                      | \$ 635,000.00                          | 629,326.94                            |                      |   | 5,673.06                        |
|  |   | <u>\$ 326,000.34</u> | <u>\$ 43,131.09</u>                    | <u>\$ 635,000.00</u>                  | <u>\$ 645,709.46</u> | <u>\$ 56,677.42</u> <u>\$ 103,700.00</u>  | <u>\$ 301,744.55</u>            |

BOROUGH OF BRADLEY BEACH  
BEACH UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
YEAR ENDED DECEMBER 31, 2016

BALANCE, DECEMBER 31, 2015 \$ 2,678,451.81

INCREASED BY

|   |    |                   |                   |
|---|----|-------------------|-------------------|
| Capital Outlay 2015 Appropriation Reserves                | \$ | 6,202.50          |                   |
| Capital Outlay 2016 Appropriations                        |    | 76,947.90         |                   |
| Transferred from Fixed Capital Authorized and Uncompleted |    | <u>629,326.94</u> | <u>712,477.34</u> |

BALANCE, DECEMBER 31, 2016 \$ 3,390,929.15

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        |
| 2016 Land Acquisition   |    | 629,326.94       |
| Capital Outlay Appropriations:  |    |                  |
| 2002  |    | 8,311.89         |
| 2003  |    | 8,000.00         |
| 2004  |    | 4,070.00         |
| 2005  |    | 5,000.00         |
| 2006  |    | 22,000.00        |
| 2007  |    | 7,199.34         |
| 2008  |    | 902.03           |
| 2009  |    | 17,591.76        |
| 2010  |    | 11,490.00        |
| 2011  |    | 56,421.66        |
| 2012  |    | 44,331.80        |
| 2013  |    | 45,334.57        |
| 2014  |    | 16,392.30        |
| 2015  |    | 23,749.00        |
| 2016  |    | <u>83,150.40</u> |

\$ 3,390,929.15

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**YEAR ENDED DECEMBER 31, 2016**

Exhibit FB-3

| <u>Ordinance<br/>Number</u> | <u>Description</u>   | <u>Date<br/>Authorized</u> | <u>Amount</u> | <u>Balance<br/>December 31,<br/>2015</u> | <u>2016<br/>Authorizations</u> | <u>Transferred<br/>to Fixed<br/>Capital</u> | <u>Balance<br/>December 31,<br/>2016</u> |
|-----------------------------|--|----------------------------|---------------|--|--------------------------------|---|--|
| 00-09                       | Beach Erosion Control Project<br>Sewer System  | 8/8/2000<br>10/11/2011     | \$ 398,000.00 | \$ 128,000.00                            |                                |   | \$ 128,000.00                            |
| 04-05                       | Repair and/or Replacement of the Flume at<br>Fletcher Lake and the Extension of the Outfall Pipe | 3/22/2004                  | 43,500.00     | 2,375.50                                 |                                |   | 2,375.50                                 |
| 06-17                       | Various Beachfront Improvements  | 11/28/2006                 | 750,000.00    | 750,000.00                               |                                |   | 750,000.00                               |
| 09-13                       | Acquisition of a Load and Pack Vehicle   | 11/10/2009                 | 124,000.00    | 124,000.00                               |                                |   | 124,000.00                               |
| 10-02                       | Concession Trailer   | 2/23/2010                  | 60,600.00     | 60,600.00                                |                                |   | 60,600.00                                |
| 13-02                       | Various Beach Improvements   | 2/27/2013                  | 1,600,000.00  | 1,600,000.00                             |                                |   | 1,600,000.00                             |
| 14-05                       | Acquisition of Parking Meter Stations  | 2/27/2014                  | 140,000.00    | 140,000.00                               |                                |   | 140,000.00                               |
| 16-02                       | Real Property Acquisition  | 1/26/2016                  | 635,000.00    |  | \$ 635,000.00                  | \$ 629,326.94                               | 5,673.06                                 |
|                             |  |                            |               | \$ 2,804,975.50                          | \$ 635,000.00                  | \$ 629,326.94                               | \$ 2,810,648.56                          |

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Purpose</u>          | <u>Date of<br/>Issue</u> | <u>Maturity of<br/>Bonds Outstanding<br/>December 31, 2016</u> |               | <u>Interest<br/>Rate</u> | <u>Balance<br/>December 31,<br/>2015</u> | <u>Decreased</u>     | <u>Balance<br/>December 31,<br/>2016</u> |
|-------------------------|--------------------------|--|---------------|--------------------------|--|----------------------|--|
|                         |                          | <u>Date</u>  | <u>Amount</u> |                          |  |                      |  |
| Beach Improvement Bonds | 12/13/07                 | 12/01/17   | \$ 98,000.00  | 5.000%                   | \$ 191,000.00                            | \$ 93,000.00         | \$ 98,000.00                             |
| Beach Improvement Bonds | 12/24/14                 | 12/01/17   | 95,000.00     | 4.00%                    |  |                      |  |
|                         |                          | 12/01/18   | 100,000.00    | 4.00%                    |  |                      |  |
|                         |                          | 12/01/19   | 105,000.00    | 4.00%                    |  |                      |  |
|                         |                          | 12/01/20   | 110,000.00    | 4.00%                    |  |                      |  |
|                         |                          | 12/01/21   | 115,000.00    | 5.00%                    |  |                      |  |
|                         |                          | 12/01/22   | 120,000.00    | 5.00%                    |  |                      |  |
|                         |                          | 12/01/23   | 125,000.00    | 5.00%                    |  |                      |  |
|                         |                          | 12/01/24   | 135,000.00    | 5.00%                    |  |                      |  |
|                         |                          | 12/01/25   | 140,000.00    | 5.00%                    |  |                      |  |
|                         |                          | 12/01/26   | 145,000.00    | 5.00%                    |  |                      |  |
|                         |                          | 12/01/27   | 155,000.00    | 5.00%                    | <u>1,440,000.00</u>                      | <u>95,000.00</u>     | <u>1,345,000.00</u>                      |
|                         |                          |  |               |                          | <u>\$ 1,631,000.00</u>                   | <u>\$ 188,000.00</u> | <u>\$ 1,443,000.00</u>                   |

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Ordinance<br/>Number</u> | <u>Description</u>  | <u>Ordinance</u> |               | <u>Balance</u>                      | <u>2016<br/>Authorizations</u> | <u>Paid or<br/>Charged</u> | <u>Balance</u>           |                    |
|-----------------------------|---|------------------|---------------|-------------------------------------|--------------------------------|----------------------------|--------------------------|--------------------|
|                             |   | <u>Date</u>      | <u>Amount</u> | <u>December 31, 2015<br/>Funded</u> |                                |                            | <u>December 31, 2016</u> | <u>Unfunded</u>    |
| 00-09                       | Beach Erosion Control Project<br>(241,769.00)   | 8/8/2000         | \$ 640,000.00 | \$ 42,784.85                        |                                | \$ 104.00                  | \$ 42,680.85             |                    |
| 04-05                       | Repair and/or Replacement of the<br>Flume at Fletcher Lake and the<br>Extension of the Outfall Pipe | 3/22/2004        | 58,000.00     | 2,375.50                            |                                |                            | 2,375.50                 |                    |
| 07-11                       | Various Beachfront<br>Improvements  | 11/28/2006       | 750,000.00    | 2,519.59                            |                                |                            | 2,519.59                 |                    |
| 09-13                       | Acquisition of a Load and Pack<br>Vehicle   | 11/10/2009       | 124,000.00    | 3,301.66                            |                                |                            | 3,301.66                 |                    |
| 10-02                       | Concession Trailer  | 2/25/2010        | 60,600.00     | 2,108.28                            |                                |                            | 2,108.28                 |                    |
| 12-09                       | Beach Rake Acquisition  | 7/10/2012        | 45,000.00     | 2,359.87                            |                                |                            | 2,359.87                 |                    |
| 13-02                       | Various Beach Improvements  | 2/27/2013        | 1,600,000.00  | 137,836.02                          |                                | 116,278.52                 | 25,257.50                |                    |
| 14-05                       | Parking Meter Pay Station Installation  | 2/27/2014        | 140,000.00    | 13,442.80                           |                                |                            | 13,442.80                |                    |
| 16-02                       | Real Property Acquisition   | 1/26/2016        | 635,000.00    |                                     | \$ 635,000.00                  | 629,326.94                 |                          | \$ 5,673.06        |
|                             |   |                  |               | <u>\$ 206,728.57</u>                | <u>\$ 635,000.00</u>           | <u>\$ 745,709.46</u>       | <u>\$ 94,046.05</u>      | <u>\$ 5,673.06</u> |

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**YEAR ENDED DECEMBER 31, 2016**

BALANCE, DECEMBER 31, 2015 \$ 27,899.61

INCREASED BY  
2016 Budget Appropriation 9,000.00

BALANCE, DECEMBER 31, 2016 \$ 36,899.61

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Ordinance<br/>Number</u> | <u>Description</u> | <u>Date of<br/>Original<br/>Issue</u> | <u>Date of<br/>Issue</u> | <u>Date of<br/>Maturity</u> | <u>Interest<br/>Rate</u> | <u>Balance<br/>December 31,<br/>2015</u> | <u>Increased</u>     | <u>Balance<br/>December 31,<br/>2016</u> |
|-----------------------------|--------------------|---------------------------------------|--------------------------|-----------------------------|--------------------------|--|----------------------|--|
| 16-02                       | Land Acquisition   | 05/23/16                              | 05/23/16                 | 05/23/17                    | 2.00%                    | \$ -                                     | \$ 635,000.00        | \$ 635,000.00                            |
|                             |                    |                                       |                          |                             |                          | <u>\$ -</u>                              | <u>\$ 635,000.00</u> | <u>\$ 635,000.00</u>                     |

**SEWER UTILITY CAPITAL FUND**



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

|   | Balance<br>December 31,<br><u>2015</u> | Receipts<br><u>Miscellaneous</u> | Disbursements<br><u>Miscellaneous</u> | Balance<br>December 31,<br><u>2016</u> |
|---|--|----------------------------------|---------------------------------------|--|
| Fund Balance                                | \$ 1,401.41                            |                                  |                                       | \$ 1,401.41                            |
| Capital Improvement Fund                    | 191,251.94                             |                                  |                                       | 191,251.94                             |
| Reserve for Roof Repairs - P.W. Buildings   | 25,000.00                              | \$ 75,000.00                     |                                       | 100,000.00                             |
| Due to Sewer Utility Operating Fund         | 20.45                                  |                                  | \$ 20.45                              |  |
| Reserve for Manhole Resetting               | 50,000.00                              | 50,000.00                        |                                       | 100,000.00                             |
| Reserve for Video Inspection of Sewer Lines | 25,000.00                              |                                  |                                       | 25,000.00                              |
| Reserve for Public Works Generator          |  | 13,000.00                        |                                       | 13,000.00                              |
| Reserve for Sewer Infrastructure Upgrades   |  | 114,070.00                       |                                       | 114,070.00                             |
| Reserve for Encumbrances                    | 4,707.27                               |                                  | 2,507.27                              | 2,200.00                               |
| Reserve for Payment of Bonds                | 39,539.77                              |                                  |                                       | 39,539.77                              |

| <u>Ordinance<br/>Number</u> | <u>Improvement<br/>Authorizations</u>   |                      |    |                      |                      |
|-----------------------------|---|----------------------|----|----------------------|----------------------|
| 12-13/<br>13-06             | Reconstruction of Sewer<br>Pump Station | <u>1,385.61</u>      | \$ |                      | <u>1,385.61</u>      |
|                             |   | <u>\$ 338,306.45</u> | \$ | <u>\$ 252,070.00</u> | <u>\$ 2,527.72</u>   |
|                             |   |                      |    |                      | <u>\$ 587,848.73</u> |

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**  
**YEAR ENDED DECEMBER 31, 2016**

BALANCE, DECEMBER 31, 2015 \$ 3,380,541.85

INCREASED BY

|  |              |              |
|--|--------------|--------------|
| Capital Outlay 2015 Appropriation Reserves                   | \$ 39,309.50 |              |
| Capital Outlay 2016 Appropriations                           | 252,920.00   |              |
| Transferred from Fixed Capital Authorized<br>and Uncompleted | 989,614.39   | 1,281,843.89 |

BALANCE, DECEMBER 31, 2016 \$ 4,662,385.74

Detail:

|  |               |
|--|---------------|
| Improvement of Sewer System, Stage I - 1973        | \$ 100,000.00 |
| Improvement of Sewer System, Stage II - 1976       | 690,267.47    |
| Improvement of Sewer System, Stage II - 1981       | 30,718.44     |
| Improvement of Sewer System, Stage II - 1981       | 257,244.41    |
| Improvement of Sewer System - 1998                 | 73,257.61     |
| Purchase of Equipment - 1994                       | 39,814.00     |
| Purchase of Jet Sewer Cleaner - 1992               | 19,000.00     |
| Computer System - 1995                             | 9,750.00      |
| Improvement to Municipal Sewer Building            | 35,543.02     |
| Improvements to the Pump Station- 1996             | 294,666.45    |
| Improvements to the Pump Station- 1997             | 93,665.00     |
| Sewer Utility Improvements - 1999                  | 282,005.65    |
| Sewer Utility Improvements - 2000                  | 297,425.54    |
| Improvement of Sewer System - 2000                 | 200,000.00    |
| Improvement of Sewer System - 2001                 | 230,000.00    |
| Sanitary Sewer Pump Station Reahabilitation - 2006 | 322,469.33    |
| Sewer Evaluation, Cleaning and Rehabilitation      | 265,621.91    |
| Capital Outlay - 2006 Appropriations               | 25,542.40     |
| Capital Outlay - 2007 Appropriations Reserves      | 13,550.62     |
| Capital Outlay - 2013 Appropriation Reserve        | 12,500.00     |
| Capital Outlay - 2015 Appropriations               | 87,500.00     |
| Capital Outlay - 2015 Appropriation Reserves       | 39,309.50     |
| Capital Outlay - 2016 Appropriations               | 252,920.00    |
| Pump Station Reconstruction - 2016                 | 989,614.39    |

\$ 4,662,385.74

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Ordinance<br/>Number</u> | <u>Description</u>                      | <u>Date<br/>Authorized</u> | <u>Amount</u> | <u>Balance<br/>December 31,<br/>2015</u> | <u>Transferred<br/>to Fixed<br/>Capital</u> | <u>Balance<br/>December 31,<br/>2016</u> |
|-----------------------------|---|----------------------------|---------------|--|---|--|
| 12-13/<br>13-06             | Reconstruction of Sewer Pump<br>Station | 11/28/12<br>05/28/13       | \$ 991,000.00 | \$ <u>991,000.00</u>                     | \$ <u>989,614.39</u>                        | \$ <u>1,385.61</u>                       |
|                             |   |                            |               | \$ <u><u>991,000.00</u></u>              | \$ <u><u>989,614.39</u></u>                 | \$ <u><u>1,385.61</u></u>                |

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS**  
**YEAR ENDED DECEMBER 31, 2016**

| <u>Purpose</u>          | <u>Date of<br/>Issue</u> | <u>Original<br/>Issue</u> | <u>Maturity of<br/>Bonds Outstanding<br/>December 31, 2016</u> |               | <u>Interest<br/>Rate</u> | <u>Balance<br/>December 31,<br/>2015</u> | <u>Decreased</u>    | <u>Balance<br/>December 31,<br/>2016</u> |
|-------------------------|--------------------------|---------------------------|--|---------------|--------------------------|--|---------------------|--|
|                         |                          |                           | <u>Date</u>  | <u>Amount</u> |                          |  |                     |  |
| Sewer Improvement Bonds | 12/24/14                 | \$ 820,000.00             | 12/01/17   | \$ 30,000.00  | 4.00%                    |  |                     |  |
|                         |                          |                           | 12/01/18   | 30,000.00     | 4.00%                    |  |                     |  |
|                         |                          |                           | 12/01/19   | 30,000.00     | 4.00%                    |  |                     |  |
|                         |                          |                           | 12/01/20   | 30,000.00     | 4.00%                    |  |                     |  |
|                         |                          |                           | 12/01/21   | 30,000.00     | 5.00%                    |  |                     |  |
|                         |                          |                           | 12/01/22   | 35,000.00     | 5.00%                    |  |                     |  |
|                         |                          |                           | 12/01/23   | 35,000.00     | 5.00%                    |  |                     |  |
|                         |                          |                           | 12/01/24   | 40,000.00     | 5.00%                    |  |                     |  |
|                         |                          |                           | 12/01/25   | 40,000.00     | 5.00%                    |  |                     |  |
|                         |                          |                           | 12/01/26   | 40,000.00     | 5.00%                    |  |                     |  |
|                         |                          |                           | 12/01/27   | 45,000.00     | 5.00%                    |  |                     |  |
|                         |                          |                           | 12/01/28   | 45,000.00     | 5.00%                    |  |                     |  |
|                         |                          |                           | 12/01/29   | 50,000.00     | 5.00%                    |  |                     |  |
|                         |                          |                           | 12/01/30   | 50,000.00     | 5.00%                    |  |                     |  |
|                         |                          |                           | 12/01/31   | 55,000.00     | 4.00%                    |  |                     |  |
|                         |                          |                           | 12/01/32   | 55,000.00     | 4.00%                    |  |                     |  |
|                         |                          |                           | 12/01/33   | 60,000.00     | 3.25%                    |  |                     |  |
|                         |                          |                           | 12/01/34   | 60,000.00     | 3.25%                    |  |                     |  |
|                         |                          |                           |  |               |                          | \$ 790,000.00                            | \$ 30,000.00        | \$ 760,000.00                            |
|                         |                          |                           |  |               |                          | <u>\$ 790,000.00</u>                     | <u>\$ 30,000.00</u> | <u>\$ 760,000.00</u>                     |

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**YEAR ENDED DECEMBER 31, 2016**

| Ordinance       |   | <u>Ordinance</u>      |               | Balance<br>Decemebr 31, 2016<br>and 2015 |
|-----------------|---|-----------------------|---------------|--|
| <u>Number</u>   | <u>Description</u>                      | <u>Date</u>           | <u>Amount</u> | <u>Funded</u>                            |
| 12-13/<br>13-06 | Reconstruction of Sewer<br>Pump Station | 11/28/12/<br>05/28/13 | \$ 791,000.00 | \$ <u>1,385.61</u>                       |
|                 |   |                       |               | \$ <u><u>1,385.61</u></u>                |

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**YEAR ENDED DECEMBER 31, 2016**

BALANCE, DECEMBER 31, 2016 AND 2015

\$ 191,251.94

**OTHER INFORMATION (UNAUDITED)**  
**STATISTICAL SECTION**

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

| Function                                    | Fiscal Year            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | 2016                   | 2015                   | 2014                   | 2013                   | 2012                   | 2011                   | 2010                   | 2009                   | 2008                   | 2007                   |
| General Government                          | \$ 901,619.64          | \$ 885,829.30          | \$ 992,196.62          | \$ 732,000.00          | \$ 820,667.13          | \$ 609,865.64          | \$ 575,943.92          | \$ 626,143.00          | \$ 522,953.76          | \$ 511,335.16          |
| Land Use                                    | 29,474.18              | 29,291.36              | 31,487.60              | 31,713.00              | 20,792.00              | 19,050.00              | 15,050.00              | 26,300.00              | 23,750.00              | 22,150.00              |
| Code Enforcement                            | 94,191.06              | 87,534.03              | 83,720.32              | 73,043.00              | 89,045.62              | 87,678.00              | 123,937.00             | 130,357.00             | 120,822.00             | 117,090.00             |
| Insurance                                   | 1,247,878.00           | 1,198,072.00           | 1,170,096.26           | 1,091,475.00           | 1,112,853.14           | 967,182.00             | 929,364.99             | 876,820.00             | 841,180.00             | 850,282.00             |
| Public Safety                               | 2,430,916.58           | 2,497,503.98           | 2,420,803.45           | 2,350,780.31           | 2,361,289.38           | 2,335,279.51           | 2,386,501.50           | 2,236,717.09           | 2,258,798.36           | 2,126,430.41           |
| Public Works                                | 1,044,680.48           | 944,424.52             | 921,993.31             | 891,306.00             | 2,012,070.34           | 962,089.00             | 852,082.76             | 939,529.91             | 895,292.00             | 958,277.00             |
| Health and Human Services                   | 23,010.00              | 24,860.00              | 24,860.00              | 24,860.00              | 24,760.00              | 24,292.00              | 23,612.00              | 24,235.00              | 19,515.00              | 16,340.00              |
| Parks and Recreation                        | 184,811.00             | 154,400.00             | 137,850.00             | 122,300.00             | 131,400.00             | 119,780.00             | 106,885.00             | 120,115.00             | 113,100.00             | 111,100.00             |
| Library                                     | 377,733.26             | 363,238.24             | 365,259.96             | 376,085.91             | 379,753.32             | 387,890.88             | 392,692.74             | 388,693.22             | 379,425.00             | 349,268.30             |
| Utility Expenses and Bulk Purchases         | 261,125.00             | 270,125.00             | 300,025.00             | 284,320.00             | 337,100.00             | 338,130.00             | 295,100.00             | 333,100.00             | 342,050.00             | 256,100.00             |
| Deferred Charges and Statutory Expenditures | 905,763.49             | 875,899.88             | 1,105,063.08           | 1,002,571.93           | 679,163.52             | 707,312.70             | 566,171.73             | 579,476.75             | 576,220.47             | 422,892.85             |
| State and Federal Grants                    | 70,578.87              | 60,748.16              | 48,351.59              | 79,046.49              | 88,180.72              | 55,503.68              | 50,652.64              | 49,103.35              | 54,992.39              | 22,894.02              |
| Capital Improvements                        | 220,000.00             | 82,500.00              | 42,400.00              | 30,000.00              | 73,065.76              | 92,500.00              | 22,163.20              | 50,000.00              | 50,000.00              | 20,000.00              |
| Debt Service                                | 1,217,086.85           | 1,326,388.95           | 1,209,019.53           | 1,118,103.31           | 1,113,993.81           | 1,042,034.98           | 1,077,292.29           | 1,037,091.62           | 915,224.62             | 854,748.00             |
| Reserve for Uncollected Taxes               | 359,378.09             | 355,920.28             | 346,897.25             | 413,865.73             | 305,242.79             | 286,003.15             | 279,000.66             | 336,895.60             | 332,037.64             | 316,869.18             |
| 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               |
|   | <u>\$ 9,371,946.50</u> | <u>\$ 9,160,435.70</u> | <u>\$ 9,203,723.97</u> | <u>\$ 8,625,170.68</u> | <u>\$ 9,553,077.53</u> | <u>\$ 8,038,291.54</u> | <u>\$ 7,700,150.43</u> | <u>\$ 7,758,277.54</u> | <u>\$ 7,449,061.24</u> | <u>\$ 6,959,476.92</u> |

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



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

| Function                                    | Fiscal Year            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | <u>2016</u>            | <u>2015</u>            | <u>2014</u>            | <u>2013</u>            | <u>2012</u>            | <u>2011</u>            | <u>2010</u>            | <u>2009</u>            | <u>2008</u>            | <u>2007</u>            |
| Operating                                   | \$ 1,616,253.82        | \$ 1,535,029.87        | \$ 1,484,826.01        | \$ 1,448,808.00        | \$ 1,485,835.52        | \$ 1,373,018.50        | \$ 1,383,860.97        | \$ 1,331,441.50        | \$ 1,247,282.00        | \$ 1,154,781.00        |
| Capital Improvements                        | 252,920.00             | 147,607.00             | 32,500.00              | 75,000.00              | 105,000.00             | 40,000.00              | 6,000.00               | 25,000.00              | 25,000.00              | 45,000.00              |
| Debt Service                                | 64,500.00              | 263,253.03             | 216,545.06             | 221,025.00             | 224,921.00             | 230,465.61             | 232,799.00             | 221,892.50             | 224,210.00             | 168,175.00             |
| Deferred Charges and Statutory Expenditures | 87,160.75              | 86,795.50              | 86,715.00              | 77,968.00              | 79,065.00              | 66,201.28              | 66,457.00              | 56,560.00              | 49,313.00              | 38,718.00              |
| Other                                       |                        |                        |                        |                        |                        |                        |                        |                        |                        | 203.64                 |
|   | <u>\$ 2,020,834.57</u> | <u>\$ 2,032,685.40</u> | <u>\$ 1,820,586.07</u> | <u>\$ 1,822,801.00</u> | <u>\$ 1,894,821.52</u> | <u>\$ 1,709,685.39</u> | <u>\$ 1,689,116.97</u> | <u>\$ 1,634,894.00</u> | <u>\$ 1,545,805.00</u> | <u>\$ 1,406,877.64</u> |

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

| <u>Function</u>                                | <u>Fiscal Year</u>     |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | <u>2016</u>            | <u>2015</u>            | <u>2014</u>            | <u>2013</u>            | <u>2012</u>            | <u>2011</u>            | <u>2010</u>            | <u>2009</u>            | <u>2008</u>            | <u>2007</u>            |
| Operating                                      | \$ 1,588,921.07        | \$ 1,594,797.65        | \$ 1,497,164.45        | \$ 872,462.42          | \$ 1,350,223.92        | \$ 1,282,476.00        | \$ 1,187,357.50        | \$ 1,090,450.00        | \$ 1,017,499.00        | \$ 979,805.00          |
| Capital Improvements                           | 87,000.00              | 47,000.00              | 20,000.00              | 448,144.00             | 56,000.00              | 82,500.00              | 11,490.00              | 19,000.00              | 18,300.00              | 18,563.00              |
| Debt Service                                   | 267,794.38             | 262,307.55             | 129,036.18             | 60,000.00              | 108,055.00             | 102,800.00             | 193,260.00             | 194,818.00             | 195,787.00             | 148,851.00             |
| Deferred Charges and<br>Statutory Expenditures | 96,000.00              | 84,000.00              | 85,500.00              | 121,753.85             | 76,565.36              | 75,500.00              | 64,978.00              | 65,978.00              | 63,400.00              | 54,200.00              |
| Other  |                        |                        |                        |                        |                        |                        |                        |                        | 22.00                  | 714.00                 |
|  | <u>\$ 2,039,715.45</u> | <u>\$ 1,988,105.20</u> | <u>\$ 1,731,700.63</u> | <u>\$ 1,502,360.27</u> | <u>\$ 1,590,844.28</u> | <u>\$ 1,543,276.00</u> | <u>\$ 1,457,085.50</u> | <u>\$ 1,370,246.00</u> | <u>\$ 1,295,008.00</u> | <u>\$ 1,202,133.00</u> |

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

| Source                                 | Fiscal Year            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | <u>2016</u>            | <u>2015</u>            | <u>2014</u>            | <u>2013</u>            | <u>2012</u>            | <u>2011</u>            | <u>2010</u>            | <u>2009</u>            | <u>2008</u>            | <u>2007</u>            |
| Surplus Anticipated                    | \$ 785,567.92          | \$ 735,626.60          | \$ 515,000.00          | \$ 413,500.00          | \$ 421,312.00          | \$ 465,000.00          | \$ 400,000.00          | \$ 636,000.00          | \$ 725,000.00          | \$ 626,000.00          |
| Taxes (1)                              | 7,153,782.76           | 6,998,103.98           | 6,670,722.50           | 6,566,736.55           | 6,556,648.27           | 6,218,381.96           | 6,093,667.07           | 5,790,339.69           | 5,460,995.79           | 4,958,175.24           |
| Delinquent Taxes                       | 168,781.10             | 202,168.19             | 259,967.26             | 182,673.32             | 194,965.92             | 207,038.76             | 160,598.53             | 132,383.83             | 137,198.86             | 200,769.40             |
| Miscellaneous                          | 1,206,558.72           | 1,185,467.64           | 1,733,438.26           | 1,167,279.93           | 974,922.56             | 901,609.87             | 773,518.23             | 805,486.53             | 961,869.57             | 1,042,053.03           |
| State Aid                              | 355,290.00             | 355,290.00             | 355,290.00             | 355,289.60             | 355,290.00             | 355,290.00             | 355,119.02             | 455,208.00             | 495,500.00             | 532,298.00             |
| State and Federal Grants               | 54,578.87              | 50,748.16              | 43,351.59              | 133,721.06             | 75,920.62              | 49,243.68              | 44,392.94              | 40,384.04              | 51,492.39              | 22,894.02              |
| Non-budget Revenues<br>and Other Items | <u>53,645.02</u>       | <u>77,531.92</u>       | <u>40,282.93</u>       | <u>27,639.48</u>       | <u>97,183.41</u>       | <u>113,105.60</u>      | <u>38,729.49</u>       | <u>21,617.03</u>       | <u>26,850.35</u>       | <u>264,114.44</u>      |
|  | <u>\$ 9,778,204.39</u> | <u>\$ 9,604,936.49</u> | <u>\$ 9,618,052.54</u> | <u>\$ 8,846,839.94</u> | <u>\$ 8,676,242.78</u> | <u>\$ 8,309,669.87</u> | <u>\$ 7,866,025.28</u> | <u>\$ 7,881,419.12</u> | <u>\$ 7,858,906.96</u> | <u>\$ 7,646,304.13</u> |

(1) Excludes tax allocated to county and school.

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

| <u>Year</u> | <u>Municipal</u> | <u>Regular</u> | <u>County<br/>Open<br/>Space</u> | <u>Health</u> | <u>School</u> | <u>Total</u> | <u>Collection<br/>Rates<br/>Current</u> | <u>Delinquent<br/>Taxes as<br/>Percent<br/>of Levy</u> |
|-------------|------------------|----------------|----------------------------------|---------------|---------------|--------------|---|--|
| 2016        | \$ 0.604         | \$ 0.260       | \$ 0.015                         | \$ 0.005      | \$ 0.514      | \$ 1.398     | 99.38%                                  | 0.95%  |
| 2015        | 0.601            | 0.264          | 0.014                            | 0.005         | 0.512         | 1.396        | 99.22%                                  | 1.08%  |
| 2014        | 0.588            | 0.266          | 0.015                            | 0.005         | 0.510         | 1.384        | 98.72%                                  | 1.28%  |
| 2013        | 0.580            | 0.270          | 0.015                            | 0.005         | 0.499         | 1.369        | 98.31%                                  | 1.68%  |
| 2012        | 0.573            | 0.260          | 0.015                            | 0.005         | 0.465         | 1.318        | 98.77%                                  | 1.22%  |
| 2011        | 0.541            | 0.259          | 0.016                            | 0.005         | 0.448         | 1.269        | 98.92%                                  | 1.37%  |
| 2010        | 0.531            | 0.253          | 0.016                            | 0.005         | 0.444         | 1.249        | 98.53%                                  | 1.56%  |
| 2009        | 0.497            | 0.238          | 0.016                            | 0.005         | 0.439         | 1.195        | 98.94%                                  | 1.29%  |
| 2008        | 0.470            | 0.230          | 0.015                            | 0.004         | 0.464         | 1.183        | 98.91%                                  | 1.06%  |
| 2007        | 0.428            | 0.226          | 0.014                            | 0.005         | 0.466         | 1.139        | 98.72%                                  | 1.05%  |

Source: Tax Collector.

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

| <u>Year Ended</u><br><u>December 31,</u> | <u>Net</u><br><u>Tax Levy</u> | <u>Current Tax</u><br><u>Collections</u> | <u>Percentage</u><br><u>of Collections</u> |
|--|-------------------------------|--|--|
| 2016                                     | \$ 15,999,602.16              | \$ 15,899,783.52                         | 99.38%                                     |
| 2015                                     | 15,763,738.82                 | 15,641,002.73                            | 99.22%                                     |
| 2014                                     | 15,428,910.06                 | 15,230,930.19                            | 98.72%                                     |
| 2013                                     | 15,268,796.59                 | 15,010,815.82                            | 98.31%                                     |
| 2012                                     | 14,895,965.81                 | 14,713,120.70                            | 98.77%                                     |
| 2011                                     | 14,374,032.60                 | 14,220,379.01                            | 98.92%                                     |
| 2010                                     | 14,172,010.53                 | 13,964,893.94                            | 98.53%                                     |
| 2009                                     | 13,464,479.97                 | 13,322,316.24                            | 98.94%                                     |
| 2008                                     | 13,318,243.93                 | 13,172,421.06                            | 98.91%                                     |
| 2007                                     | 12,792,723.14                 | 12,629,086.23                            | 98.72%                                     |

Abstracted from annual audit reports.

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

| <u>Year Ended</u><br><u>December 31,</u> | <u>Amount of</u><br><u>Tax Title Liens</u> | <u>Amount of</u><br><u>Delinquent</u><br><u>Taxes</u> | <u>Total</u><br><u>Delinquent</u> | <u>Percentage</u><br><u>of Tax Levy</u> |
|--|--|---|-----------------------------------|---|
| 2016                                     | \$ 1,754.55                                | \$ 149,682.14   | \$ 151,436.69                     | 0.95%                                   |
| 2015                                     | 1,578.41                                   | 169,436.44  | 171,014.85                        | 1.08%                                   |
| 2014                                     | 1,398.32                                   | 202,168.19  | 203,566.51                        | 1.32%                                   |
| 2013                                     | 1,310.20                                   | 257,360.32  | 258,670.52                        | 1.69%                                   |
| 2012                                     | 689.75                                     | 182,718.43  | 183,408.18                        | 1.23%                                   |
| 2011                                     | 523.68                                     | 196,942.55  | 197,466.23                        | 1.37%                                   |
| 2010                                     | 282.18                                     | 220,314.88  | 220,597.06                        | 1.56%                                   |
| 2009                                     | 274.68                                     | 173,804.19  | 174,078.87                        | 1.29%                                   |
| 2008                                     | 267.50                                     | 141,148.83  | 141,416.33                        | 1.06%                                   |
| 2007                                     | 260.40                                     | 134,596.94  | 134,857.34                        | 1.05%                                   |

Abstracted from annual audit reports

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

| <u>Year Ended<br/>December 31,</u> | <u>Aggregate<br/>Assessed<br/>Valuations<br/>of Real<br/>Property</u> | <u>Estimated<br/>Full Cash<br/>Valuations</u> | <u>Percentage of<br/>Net Assessed<br/>to Estimated<br/>Full Cash<br/>Valuations</u> |
|------------------------------------|---|---|---|
| 2016                               | \$ 1,146,191,500  | \$ 1,183,766,155                              | 97.03%  |
| 2015                               | 1,131,026,920   | 1,133,200,920                                 | 103.45%   |
| 2014                               | 1,112,381,900   | 1,089,715,811                                 | 102.08%   |
| 2013                               | 1,121,780,200   | 1,116,643,639                                 | 100.46%   |
| 2012                               | 1,133,446,516   | 1,128,256,536                                 | 100.46%   |
| 2011                               | 1,138,122,273   | 1,139,261,535                                 | 99.90%  |
| 2010                               | 1,130,522,544   | 1,163,687,642                                 | 97.15%  |
| 2009                               | 1,126,294,100   | 1,177,639,168                                 | 95.64%  |
| 2008                               | 1,123,044,400   | 1,165,709,363                                 | 96.34%  |
| 2007                               | 1,118,334,200   | 1,137,906,186                                 | 98.28%  |

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

**BOROUGH OF BRADLEY BEACH**  
**SCHEDULE OF TEN LARGEST TAXPAYERS**  
**FOR 2016**  
**UNAUDITED**

| <u>Taxpayer</u>            | <u>Assessed<br/>Value - 2016</u> | <u>As a Percent<br/>of Net Assessed<br/>Valuation Taxable</u> |
|----------------------------|----------------------------------|---|
| Bradley Beach Village, LLC | \$ 10,176,000                    | 0.88 %  |
| Mariner 5 Associates, LLC  | 3,712,400                        | 0.32  |
| Bradley Driftwood, LLC     | 3,387,200                        | 0.30  |
| Terrace Lake Apartments    | 3,256,700                        | 0.28  |
| Bradis, Spyros & Angela    | 3,203,200                        | 0.28  |
| Rega Bradley Beach, LLC    | 3,092,400                        | 0.27  |
| Ocean Beach Apts., LLC     | 2,703,400                        | 0.24  |
| G & D Properties, LLC      | 2,600,700                        | 0.23  |
| Simone Enterprises, LLC    | 2,593,600                        | 0.23  |
| Channel Properties, LLC    | <u>2,581,400</u>                 | <u>0.22</u>   |
|                            | <u>\$ 37,307,000</u>             | <u>3.25 %</u>   |

Source: Municipal Tax Collector.



**BOROUGH OF BRADLEY BEACH**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**  
**UNAUDITED**

|   |                            |
|---|----------------------------|
| Average Equalized Valuation Basis                     | \$ <u>1,135,560,962.00</u> |
| Borrowing Margin - 3½% of Average Equalized Valuation | \$ 39,744,633.67           |
| Net Debt  | <u>4,772,363.49</u>        |
| Remaining Borrowing Power                             | \$ <u>34,972,270.18</u>    |

|   | <u>Gross<br/>Debt</u>  | <u>Deductions</u>                 | <u>Net<br/>Debt</u>    |
|---|------------------------|-----------------------------------|------------------------|
|   | \$ <u>8,705,223.66</u> | \$ <u>3,932,860.17</u>            | \$ 4,772,363.49        |
| Overlapping Debt Apportioned to the Municipality:<br>County of Monmouth (1) | <u>Net Debt</u>        | <u>Overlapping<br/>Percentage</u> |                        |
|   | \$ 456,319,190.08      | 1.01903%                          | <u>4,650,037.58</u>    |
|   |                        |                                   | \$ <u>9,422,401.07</u> |

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

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

| <u>Year Ended</u><br><u>December 31,</u> | <u>Borough</u><br><u>Population (1)</u> | <u>Equalized</u><br><u>Valuation (2)</u> | <u>Net</u><br><u>Debt (3)</u> | <u>Ratio of</u><br><u>Net Debt to</u><br><u>Equalized</u><br><u>Valuation</u> | <u>Net</u><br><u>Debt Per</u><br><u>Capita</u> |
|--|---|--|-------------------------------|---|--|
| 2016                                     | 4,298                                   | \$ 1,183,766,155.00                      | \$ 4,772,363.49               | 0.40%   | \$ 1,110.37                                    |
| 2015                                     | 4,298                                   | 1,133,200,920.00                         | 7,143,679.23                  | 0.63%   | \$ 1,662.09                                    |
| 2014                                     | 4,298                                   | 1,089,715,811.00                         | 4,772,363.49                  | 0.44%   | 1,110.37                                       |
| 2013                                     | 4,298                                   | 1,116,643,639.26                         | 5,357,560.03                  | 0.48%   | 1,246.52                                       |
| 2012                                     | 4,298                                   | 1,128,256,535.93                         | 7,129,565.05                  | 0.63%   | 1,658.81                                       |
| 2011                                     | 4,298                                   | 1,138,837,237.00                         | 6,543,517.33                  | 0.57%   | 1,522.46                                       |
| 2010                                     | 4,298                                   | 1,163,201,544.00                         | 6,784,785.73                  | 0.58%   | 1,578.59                                       |
| 2009                                     | 4,793                                   | 1,177,639,168.00                         | 7,204,710.85                  | 0.61%   | 1,503.17                                       |
| 2008                                     | 4,793                                   | 1,165,709,363.00                         | 7,844,934.10                  | 0.67%   | 1,636.75                                       |
| 2007                                     | 4,793                                   | 1,137,906,186.00                         | 8,020,186.12                  | 0.70%   | 1,673.31                                       |

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

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

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

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

| <u>Year Ended</u><br><u>December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u><br><u>Debt</u><br><u>Service</u> | <u>Total</u><br><u>Current Fund</u><br><u>Governmental</u><br><u>Fund Expenditures</u> | <u>Ratio of</u><br><u>Debt Service to</u><br><u>Current Fund</u><br><u>Expenditures</u> |
|--|------------------|-----------------|---|--|---|
| 2016                                     | \$ 978,470.97    | \$ 227,232.07   | \$ 1,205,703.04                               | \$ 8,892,111.42  | 13.56%  |
| 2015                                     | 1,039,421.55     | 286,939.46      | 1,326,361.01                                  | 8,661,790.13   | 15.31%  |
| 2014                                     | 939,739.32       | 263,900.72      | 1,203,640.04                                  | 8,788,892.67   | 13.70%  |
| 2013                                     | 825,196.58       | 292,166.72      | 1,117,363.30                                  | 8,308,900.24   | 13.45%  |
| 2012                                     | 816,630.60       | 297,293.42      | 1,113,924.02                                  | 8,971,235.79 (2)   | 12.42%  |
| 2011                                     | 734,606.10       | 307,262.84      | 1,041,868.94                                  | 7,664,236.06   | 13.59%  |
| 2010                                     | 733,177.19       | 343,058.06      | 1,076,235.25                                  | 7,700,150.43   | 13.98%  |
| 2009                                     | 658,853.00       | 361,103.55      | 1,019,956.55                                  | 7,758,277.54   | 13.15%  |
| 2008                                     | 533,570.77       | 375,636.44      | 909,207.21                                    | 7,449,061.24   | 12.21%  |
| 2007                                     | 495,413.48       | 347,064.59      | 842,478.07                                    | 6,959,476.92   | 12.11%  |

(1) Excludes Sewer and Beach Utilities Debt.

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

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

|   |    |                  |                          |
|---|----|------------------|--------------------------|
| Cash Receipts from Fees, Rents or Other Charges |    | \$               | 2,135,386.07             |
| Deductions:                                     |    |                  |                          |
| Operating and Maintenance Cost                  | \$ | 1,703,414.57     |                          |
| Debt Service                                    |    | <u>64,500.00</u> |                          |
| Total Deductions                                |    |                  | <u>1,767,914.57</u>      |
| Excess in Revenue                               |    | \$               | <u><u>367,471.50</u></u> |

Source: Annual Debt Statement

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

|   |                   |                             |
|---|-------------------|-----------------------------|
| Cash Receipts from Fees, Rents or Other Charges |                   | \$ 2,199,903.17             |
| Deductions:                                     |                   |                             |
| Operating and Maintenance Cost                  | \$ 1,684,921.07   |                             |
| Debt Service                                    | <u>267,794.38</u> |                             |
| Total Deductions                                |                   | <u>1,952,715.45</u>         |
| Excess in Revenue                               |                   | \$ <u><u>247,187.72</u></u> |

Source: Annual Debt Statement

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

| <u>Year Ended</u><br><u>December 31,</u> | <u>Population</u> | <u>Unemployment</u><br><u>Rate</u> (1) | <u>Per Capita</u><br><u>Income</u> (1) |
|--|-------------------|--|--|
| 2016                                     | 4,298             | 3.9%                                   | \$ 45,084                              |
| 2015                                     | 4,298             | 3.9%                                   | 45,084                                 |
| 2014                                     | 4,298             | 5.2%                                   | 40,976                                 |
| 2013                                     | 4,298             | 6.1%                                   | 40,624                                 |
| 2012                                     | 4,298             | 8.5%                                   | N/A                                    |
| 2011                                     | 4,298             | 8.6%                                   | 34,802                                 |
| 2010                                     | 4,298             | 8.3%                                   | 31,307                                 |
| 2009                                     | 4,793             | 8.5%                                   | 25,438                                 |
| 2008                                     | 4,793             | 7.0%                                   | 25,438                                 |
| 2007                                     | 4,793             | 5.8%                                   | 25,438                                 |

(1) Monmouth County Planning Board (Census).

**BOROUGH OF BRADLEY BEACH**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 2016**  
**UNAUDITED**

|                                |                    |
|--------------------------------|--------------------|
| Date of Incorporation          | March 1893         |
| Form of Government             | Small Municipality |
| Area                           | 0.70 square miles  |
| Employees:                     |                    |
| Administrative                 | 7                  |
| Police                         | 18                 |
| Public Works                   | 12                 |
| Other - Part-time and Seasonal | <u>99</u>          |
| Total Employees                | <u><u>136</u></u>  |

Source: Borough Records.

## **COMMENTS AND RECOMMENDATIONS**



**GENERAL COMMENTS  
DECEMBER 31, 2016**

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

N.J.S. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which exceeds the bid threshold (N.J.S. 40A:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

If the purchasing agent is a qualified purchasing agent, the governing body of the contracting unit may establish that the bid threshold may be up to \$40,000.00." The Municipality appointed William Schmeling as their Qualified Purchasing Agent "QPA" for the 2016 year. Accordingly, the Borough's 2016 bid threshold is \$40,000.00.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. When a question arises, the Borough's opinion should be sought before a commitment is made.

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

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

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

**Collection of Interest on Delinquent Taxes and Sewer Charges**

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

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

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

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

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 31<sup>st</sup>, 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 31<sup>st</sup>, an additional penalty of 6% shall be charged against the delinquency, all such payments to be calculated from the date the tax, assessment or charge was payable until the date of actual payment. This shall apply to all existing tax sale certificates held by the Borough of Bradley Beach.
2. As to Tax Sale Certificates, the Tax Collector is hereby authorized and directed to collect 2% when the taxes, interest and costs shall exceed the sum of \$200.00. When the taxes, interest and costs shall exceed the sum of \$5,000.00, such additional sum shall be equal to 4% of such amount paid; and when that sum exceeds \$10,000.00, such additional sum shall be equal to 6% of such amount paid. This shall apply to all existing tax sale certificates held by the Borough of Bradley Beach.

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

### **Delinquent Taxes and Tax Title Liens**

The detail of all unpaid taxes for 2016 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, 2016, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

### **Delinquent Taxes and Tax Title Liens – (Continued)**

The last tax sale was held on July 17, 2016, 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 31<sup>st</sup> was three.

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, 2016 have been in existence for many years. Aggregate outstanding lien balances are not material.

### **Delinquent Sewer Rents**

The detail of all unpaid Sewer rents for 2016 and Sewer liens is being properly carried in the Sewer Collector's records. An abstract taken from these records as of December 31, 2016, 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.

### **Cash and Cash Equivalents**

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2016.

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

The change funds and petty cash funds were counted.

### **Revenues**

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

### **Expenditures**

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

## **Expenditures – (Continued)**

### **Finding:**

**Condition:** Our examination of paid invoices identified several instances where payments were made before purchase orders were processed and approved.

**Cause:** Confirming orders generally are made when the urgency of the need for the goods or services does not allow for the required purchasing procedures to be adhered to. All of the confirming orders our testing identified were related to purchases that should have been made under blanket purchase orders as the expenditures occur several times a year.

**Criteria:** Internal Control.

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

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

### **Finding:**

**Condition:** Our examination of paid invoices identified two instances where the Borough was unable to provide an invoice or alternate support of amounts paid.

**Cause:** Both payments were for Medicare reimbursement payments. The Borough will only review one individual's social security paperwork for the cost of Medicare and does not keep a copy on file.

**Criteria:** Internal Control.

**Client Response:** Management is aware that a copy of the Medicare cost is not kept on file, and that they do not review the paperwork from every person who receives the Medicare reimbursement

**Recommendation:** It is recommended that the Borough's purchasing procedures with respect to invoice and payment documentation be adhered to.

## **Payroll**

An examination was made of the employees' compensation records for the year 2016 on a test basis to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Our examination of payroll revealed compliance with procedures and requirements have been adhered to.

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

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

### **Miscellaneous Comments**

The Local School District taxes payable at December 31, 2016 were verified.

### **Construction Code Official**

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

### **Regional Contribution Agreement**

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

### **Library**

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

### **Trust Other Fund**

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

### **Surety Bonds**

The surety bonds covering the Tax Collector, Sewer and Beach Utility Revenue Collectors and Municipal Court employees were tested for adequacy of coverage and were determined to be sufficient. Continuation notices were also examined for each surety bond in effect during 2016 and for the blanket honesty coverage.

### **Federal and State Grants**

There are several grants receivable and appropriated reserves that are in excess of three (3) years old that should be reviewed for utilization or refund to the grant source. This matter should be reviewed by the Business Administrator and the specific grant coordinators.

## **Other Matters**

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

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

## **Follow-up on Prior Year's Recommendations**

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year's recommendations, including findings. A corrective action plan was adopted for the 2015 audit recommendations. The corrective action plan was effective in eliminating all but audit recommendation 2016-1, which is repeated from the prior year's audit recommendations.

## **Appreciation**

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

**RECOMMENDATIONS  
DECEMBER 31, 2016**

It is recommended that:

2016-1. The Borough's purchasing procedures with respect to purchase orders and encumbrances be adhered to.

2016-2. The Borough's purchasing procedures with respect to invoice and payment documentation be adhered to.

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