

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF  
BOROUGH OF BRADLEY BEACH  
701 Main Street  
Bradley Beach, New Jersey 07720  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Presented by  
Borough of Bradley Beach**

**Gail Krzyzczuk  
Chief Financial Officer**

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## **INTRODUCTORY SECTION**

**Borough of Bradley Beach**  
**701 Main Street, Bradley Beach NJ 07720**

June 29, 2018

TO: The Honorable Mayor and Council Members

RE: Comprehensive Annual Financial Report for the  
Year Ended December 31, 2017

The Comprehensive Annual Financial Report for the Borough of Bradley Beach, County of Monmouth, State of New Jersey, for the year ended December 31, 2017 is submitted herewith and includes financial statements and supplemental schedules. We believe that it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Bradley Beach as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain maximum understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in four (4) sections: Introductory, Financial, Statistical, and Auditor's Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's Organizational Chart and a Roster of Officials. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the Independent Auditors' Report. The Statistical Section includes selected financial, economic and demographic information, generally presented on a multi-year basis. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer and ultimately with the Mayor and Council. 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. The Mayor and Council are required to adopt a plan of action on the implementation of any audit recommendations.

The financial statements have been audited by Gerard Stankiewicz, CPA, RMA of Samuel Klein and Company, Certified Public Accountants, whose opinion is expressed in the Financial Section. Please note that the Independent Auditors' Report is unmodified and states that the financial statements are presented fairly in conformity with the basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.



## PRESENT AND FUTURE CHALLENGES

During the 2017 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 attention and improvement. While pride is taken in the accomplishments of the past year, the issues the Borough continues to face takes precedent.

### CURRENT FUND

In 2017, the Current Fund, which encompasses the general government functions of the Borough, had revenues of \$9,616,268.33 exclusive of fund balance, expenditures of \$9,162,253.13 and an increase of \$226,409.14 in fund balance at year-end. The Current Fund revenues increased approximately 1.23% or \$126,203.64 over 2016. Below is a comparison of the Current Fund revenues.

	<u>2017</u>	<u>2016</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local Sources:				
Fund Balance Utilized	\$ 785,000.00	\$ 785,567.92	\$ (567.92)	(0.07) %
Current Tax Revenue	7,250,782.35	7,153,782.76	96,999.59	1.36
Delinquent Tax Revenue	151,774.00	168,781.10	(17,007.10)	(10.08)
Miscellaneous Revenue				
Anticipated	1,064,248.97	1,206,558.72	(142,309.75)	(11.79)
Nonbudget Revenues	149,443.71	53,645.02	95,798.69	178.58
Other Credits to Income	599,920.59	496,860.30	103,060.29	20.74
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenues from Local Sources	\$ 10,001,169.62	\$ 9,865,195.82	\$ 135,973.80	1.38 %
State Aid	355,290.00	355,290.00		
Grants	<u>44,808.71</u>	<u>54,578.87</u>	<u>(9,770.16)</u>	<u>(17.90)</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Current Fund Revenues	\$ <u>10,401,268.33</u>	\$ <u>10,275,064.69</u>	\$ <u>126,203.64</u>	<u>1.23 %</u>

1. Current and Delinquent Taxes - These are the collections on taxes levied on all property owners residing in the Borough.
2. State Aid and 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. Interlocal Agreements – These are anticipated revenue sources related to various municipal functions that are provided by the Borough on behalf of other municipalities.
5. Nonbudget Revenue and Other Credits - These are items that are not budgeted as revenue items, however, are included in the overall revenue.

## CURRENT FUND (CONTINUED)

The decrease in expenditures in 2017 over 2016 was \$209,693.37 or 2.24% and is detailed as follows:

	<u>2017</u>	<u>2016</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 674,004.00	\$ 809,785.64	\$ (135,781.64)	(16.77) %
Land Use	29,838.00	29,474.18	363.82	1.23
Code Enforcement	109,840.00	94,191.06	15,648.94	16.61
Insurance	1,270,867.00	1,247,878.00	22,989.00	1.84
Public Safety	2,630,188.00	2,430,916.58	199,271.42	8.20
Public Works	1,094,563.00	1,044,680.48	49,882.52	4.77
Health and Human Services	23,710.00	23,010.00	700.00	3.04
Parks and Recreation	184,884.00	184,811.00	73.00	0.04
Library	394,588.32	377,733.26	16,855.06	4.46
Utilities Expenses and Bulk Purchases	262,550.00	261,125.00	1,425.00	0.55
Uniform Construction Code	99,135.00	95,534.00	3,601.00	3.77
Deferred Charges and				
Statutory Expenditures	942,966.50	905,763.49	37,203.01	4.11
Federal and State Programs	54,808.71	70,578.87	(15,770.16)	(22.34)
Capital Improvements	346,753.00	220,000.00	126,753.00	57.62
Municipal Debt Service	556,894.28	1,217,086.85	(660,192.57)	(54.24)
Reserve for Uncollected Taxes	<u>486,663.32</u>	<u>359,378.09</u>	<u>127,285.23</u>	<u>35.42</u>
Total Current Fund Expenditures	\$ <u>9,162,253.13</u>	\$ <u>9,371,946.50</u>	\$ <u>(209,693.37)</u>	<u>(2.24) %</u>

## BEACH UTILITY FUND

The Borough operates a beachfront operation, bordering the Atlantic Ocean, approximately six-tenths (6/10) of a mile long. Revenues from beach badges and beach front concessions are accounted for separately as well as all expenses related to the beach operation.

The Beach Utility Operating Fund generated operating revenues of \$1,829,664.73, exclusive of fund balance, and incurred operating expenses of \$2,124,050 resulting in an decrease in fund balance of \$294,385.27. The increase in operating expenses from 2017 to 2016 was \$84,332.55 or 4.13%. The following schedule summarizes revenues and expenses for 2017 and 2016:

	<u>2017</u>	<u>2016</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 401,966.00	\$ 348,749.95	\$ 53,216.05	15.26 %
Bathing Badges	1,440,178.95	1,612,820.66	(172,641.71)	(10.70)
Concession Rents	81,077.00	75,659.37	5,417.63	7.16
Parking Meters	78,261.52	90,852.12	(12,590.60)	(13.86)
Beach Locker Fees	86,875.00	63,200.00	23,675.00	37.46
Nonbudget Revenue	25,863.97	8,621.07	17,242.90	200.01
Other Credits to Income	117,408.29	133,609.61	(16,201.32)	(12.13)
	<u>\$ 2,231,630.73</u>	<u>\$ 2,333,512.78</u>	<u>\$ (101,882.05)</u>	<u>(4.37) %</u>
<u>Expenditures</u>				
Operating	\$ 1,613,101.00	\$ 1,588,923.07	\$ 24,177.93	1.52 %
Capital Improvements	105,950.00	87,000.00	18,950.00	21.78
Debt Service	311,999.00	267,794.38	44,204.62	16.51
Deferred Charges and Statutory Expenditures	93,000.00	96,000.00	(3,000.00)	(3.13)
	<u>\$ 2,124,050.00</u>	<u>\$ 2,039,717.45</u>	<u>\$ 84,332.55</u>	<u>4.13 %</u>

## SEWER UTILITY FUND

The Borough's Sewerage Utility operation is merely a collection system of approximately nine (9) miles running beneath the borough. The sewage is treated by neighboring municipality treatment plant.

The Sewer Utility Operating Fund generated operating revenues of \$2,261,508.66, exclusive of fund balance, and incurred operating expenses of \$1,937,648, resulting in an increase in fund balance of \$323,860.66. The decrease in operating expenses from 2017 to 2016 was \$83,186.57 or 4.12%. The sewer utility has 150 commercial customer units and 3245 residential customer units. The following schedule summarizes revenues and expenses for 2017 and 2016:

	<u>2017</u>	<u>2016</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 32,648.00	\$ 115,834.57	\$ (83,186.57)	(71.81) %
Rents	1,994,577.34	2,009,189.26	(14,611.92)	(0.73)
Nonbudget Revenue	12,589.77	10,362.24	2,227.53	21.50
Other Credits to Income	<u>254,341.55</u>	<u>66,616.89</u>	<u>187,724.66</u>	<u>281.80</u>
	<u>\$ 2,294,156.66</u>	<u>\$ 2,202,002.96</u>	<u>\$ 92,153.70</u>	<u>4.18 %</u>
<u>Expenditures</u>				
Operating	\$ 1,544,470.00	\$ 1,616,253.82	\$ (71,783.82)	(4.44) %
Capital Improvements	127,000.00	252,920.00	(125,920.00)	(49.79)
Debt Service	174,740.00	64,500.00	110,240.00	170.91
Deferred Charges and Statutory Expenditures	<u>91,438.00</u>	<u>87,160.75</u>	<u>4,277.25</u>	<u>4.91</u>
	<u>\$ 1,937,648.00</u>	<u>\$ 2,020,834.57</u>	<u>\$ (83,186.57)</u>	<u>(4.12) %</u>

For the foreseeable future, the elected and appointed leaders will have to deal with the need to minimize tax rate impact and the need for new development that would help share the tax burden. The governing body and the administration will have to introduce new ideas and creative solutions to solve this problem.

The remainder of this transmittal letter will provide greater details relating to the Borough's progress during 2017 and some of the plans for the future.

## **STATUTORY AUTHORITY**

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

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

In accordance with generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board, the Borough, for reporting purposes, is considered an independent government entity.

## **MAJOR ACTIVITIES AFFECTING BUDGET/FINANCIAL CONDITIONS**

The Borough in 2017 awarded a contract for a major sanitary sewer rehabilitation project for a substantial portion of the southern part of the Borough. The project is being funded by a low interest financing arrangement from the NJIBank (formerly the NJEIT.)

The Borough is exploring all resources to provide services to the Borough residents for the best possible cost. All revenue sources are maximized where possible and all budget appropriations and purchases are carefully reviewed by the Borough officials. The Governing Body is striving to keep municipal taxes at reasonable rate while providing for the safety, health and welfare of the residents.

## **ACCOUNTABILITY ON 2017 INITIATIVES**

- Improvements to the Sylvan Lake and Sylvan Lake Park ...
- Improvements to Riley Park are underway.
- The Borough of Bradley Beach continues to examine additional and share service agreements ...

## **PROSPECTS FOR THE FUTURE**

- The Borough continues to seek and obtain grants from the County of Monmouth to use for public area improvements including the improvements to Sylvan Lake and Sylvan Lake and Riley Parks.
- The Borough continues to seek additional sources of revenue to offset the decrease in state aid experienced over the past several years.
- The Borough plans to replace the north-end of the damaged wooden boardwalk.

## **LOCAL ECONOMIC EVENTS**

For 2017, the Borough continued to demonstrate important indicators of continued financial strength as follows:

- During 2017, total real estate tax revenues increased by \$96,999.59 or 1.36% to \$7,250,782.35. The current collection rate (cash basis) of real estate tax revenue (an important indicator of fiscal health) was 98.76% in 2017. Although, the Borough has maintained a stable collection rate, certain taxpayers were unable to remit their taxes on a current basis.
- Revenues from other sources remained relatively flat in 2017. Assessed values increased to \$1,149,597,400.00.
- The Borough has continued to maintain an excellent credit rating. Presently, the Borough's latest (2017) Bond Rating is "AA/Stable" by Standard & Poors Global Ratings.

## **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 Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories. At December 31, 2017, all cash funds on deposit were in registered depositories and were covered by these insurers.

During 2017, idle funds were invested with the intent of maximizing interest earnings in the investment account maintained by the Borough's main depository.

## **ACCOUNTING AND BUDGET INFORMATION**

### **Accounting**

The Borough maintains an on-line, real-time computerized accounting system to record all financial transactions.

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.

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

## **Budget**

The local budget law for the State of New Jersey requires every local unit to adopt an Operating Budget in the form required by the Division of Local Government Services (the "Division"), Department of Community Affairs of the State of New Jersey. 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 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 exceeds 10,000, the Capital Program shall include by title all projects anticipated for the budget year and the five succeeding years, with the estimated costs and the anticipated financing by sources and amounts.

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 subaccounts by budget codes.

The Borough Administrator and Chief Financial Officer monitor expenditures throughout the fiscal year to ensure that spending remains within the amounts of funds authorized. Budget modifications are processed in the last two months of the year to transfer funds from one area to another as needed.

## **DEBT ADMINISTRATION**

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

The Borough has managed its debt well and has outstanding debt equal to 0.386% of its equalized value.



## **RISK MANAGEMENT**

The Borough banded together with other municipalities to form the Monmouth County Municipal Joint Insurance ("JIF") and the New Jersey Municipal Excess Liability Funds. These Funds procure insurance on a pooled basis, generally self-insuring the initial level of loss for workers' compensation, property, general liability, automobile and employee dishonesty. The Funds provide their members with risk management services, including the defense of and settlement of claims and establish reasonable and necessary loss reduction and prevention procedures to be followed by the members.

## **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 Gerard Stankiewicz, CPA, RMA of Samuel Klein and Company for their help and assistance in preparation of the Borough's CAFR.

Respectfully submitted,

*Kelly Barrett*

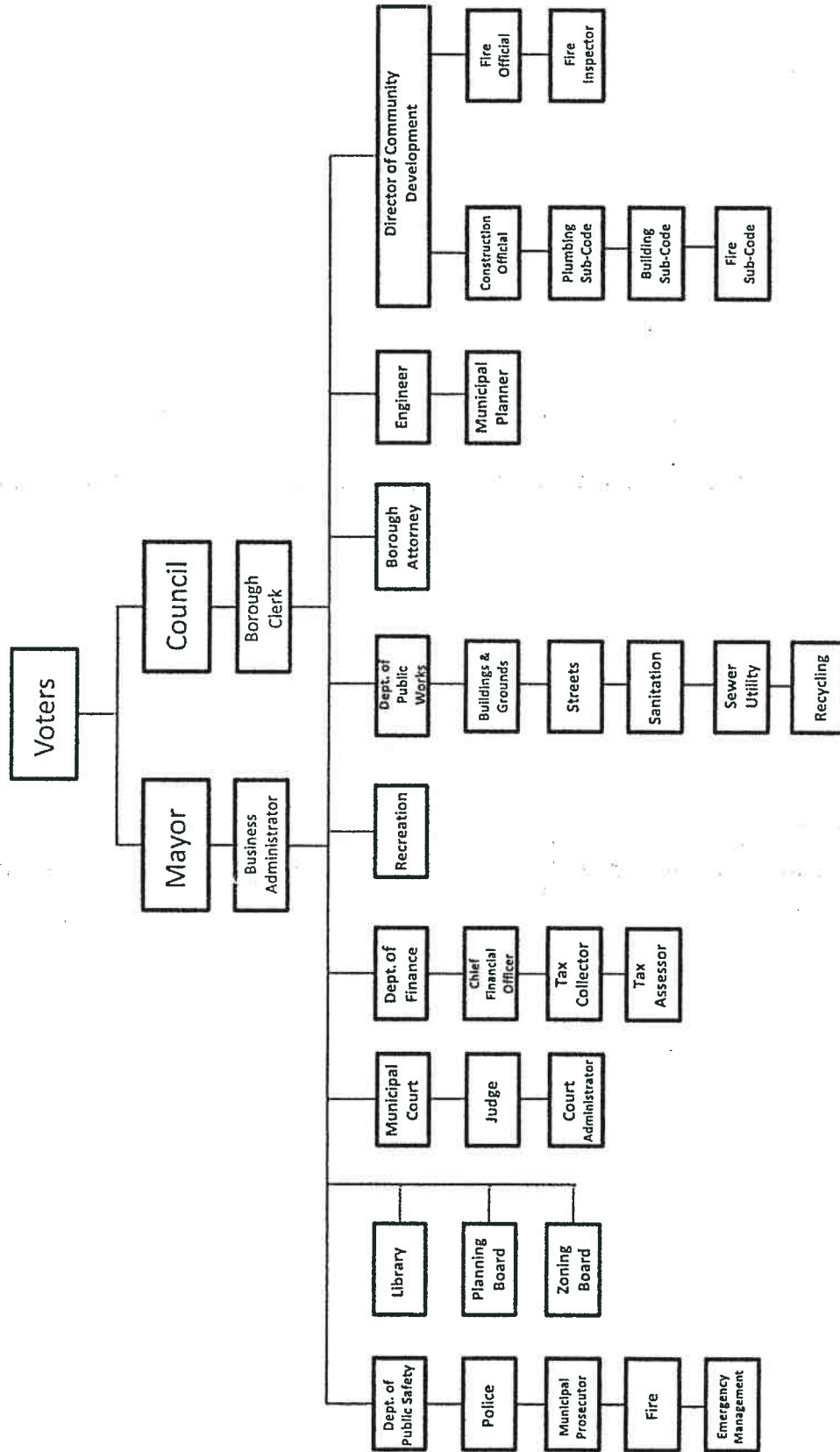
Kelly Barrett  
Business Administrator

*Gail Krzyzczuk*

Gail Krzyzczuk  
Chief Financial Officer



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



**BOROUGH OF BRADLEY BEACH**

**ROSTER OF OFFICIALS**

**DECEMBER 31, 2017**

**Governing Body**

Gary Engelstad, Mayor  
Harold Cotler, Council President  
Norman Goldfarb, Councilman  
Randy Bonnell, Councilman  
John Weber, Councilman

**Other Officials**

Kelly Barrett, Business Administrator, Borough Clerk, Registrar of Vital Statistics  
Erica Kostyz, Deputy Municipal Clerk, Deputy Registrar of Vital Statistics  
Gail Krzyzczuk, Chief Financial Officer, Tax/Sewer Collector  
Patricia Martuscelli, Assistant Chief Financial Officer, Deputy Tax/Sewer Collector  
Bryant Curry, Director of Community Development  
Paul Capotorto, Magistrate  
Patricia Megill, Court Administrator  
Donna Anderson, Deputy Court Administrator

**BOROUGH OF BRADLEY BEACH**

**CONSULTANTS AND ADVISORS**

**DECEMBER 31, 2017**

**AUDIT FIRM**

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Samuel Klein and Company  
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Freehold, New Jersey 07728

**ATTORNEY**

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Red Bank, NJ 07701

**BOND COUNSEL**

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Red Bank, NJ 07701

**LABOR COUNSEL**

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Plosia Cohen LLC  
385 State Route 24  
Chester, NJ 07930

**BOROUGH ENGINEER**

Gerald Freda, PE, PP  
Leon S. Avakian, Inc.  
788 Wayside Road  
Neptune, NJ 07753

**OFFICIAL DEPOSITORIES**

Kearny Federal Bank

PNC Bank

## **FINANCIAL SECTION**

# **SAMUEL KLEIN AND COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR  
NEWARK, NJ 07102-9969  
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## **INDEPENDENT AUDITORS' REPORT**

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

To the Honorable Mayor and Members of the Borough Council:

### **Report on the Financial Statements**

We have audited the financial statements – regulatory basis of the various funds and account groups of the Borough of Bradley Beach, County of Monmouth, State of New Jersey as of December 31, 2017, and the related statement of operations and change in fund balance – regulatory basis for the year then ended, the related statement of revenues – regulatory basis, statement of expenditures – regulatory basis, and the related notes to the financial statements for the year then ended. The financial statements – regulatory basis for the year-ended December 31, 2016 were audited by another firm whose opinion dated June 30, 2017 was unmodified.

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

Management is responsible for the preparation and fair presentation of these financial statements – regulatory basis, in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes 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.

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements – regulatory basis, 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 auditing standards prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

As described in Note 1 of the financial statements – regulatory basis, the financial statements are prepared by the Borough on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of Jersey which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

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

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on the United States Generally Accepted Accounting Principles" 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 each fund of the Borough of Bradley Beach, County of Monmouth, State of New Jersey as of December 31, 2017, and change in financial position or cash flows thereof for the year then ended.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### Other Matters

#### Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements – regulatory basis referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing the reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of the Borough of Bradley Beach's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Bradley Beach's internal control over financial reporting and compliance.



Gerard Stankiewicz  
Certified Public Accountant  
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
June 29, 2018

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

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

To the Honorable Mayor and Members of the Borough Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Bradley Beach (herein referred to as “the Borough”), as of and for the year ended December 31, 2017, 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 29, 2018.

**Internal Control Over Financial Reporting**

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

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



**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS – REGULATORY BASIS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(CONTINUED)**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, that are reported material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying General Comment and Recommendation section of this report related to cash reconciliations, receivables and the general ledger and that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance that we have reported to the management of the Borough in the "General Comments and Recommendations" section of this report.

This report is intended solely for the information of the governing body, management and the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz  
Certified Public Accountant  
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
June 29, 2018

## **GENERAL-PURPOSE FINANCIAL STATEMENTS**

**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016)**

	Governmental Funds			Trust Funds	Utilities		General Fixed Assets Account	Totals	
	Current	General Capital			Operating	Capital		2017	2016
ASSETS AND OTHER DEBITS									
Cash and Cash Equivalents	\$ 4,986,521.05	\$ 681,331.62	\$ 622,906.09	\$ 2,834,023.79	\$ 1,388,871.71		\$ 10,513,654.26	\$ 8,228,709.65	
Investment				80,000.00			80,000.00		
Intergovernmental Accounts Receivable	10,300.00	303,143.00					313,443.00	195,976.52	
Receivables and Other Assets:									
Delinquent Property Taxes	193,569.16						193,569.16	149,682.14	
Consumer Accounts Receivable					75,106.77		75,106.77	76,729.36	
Liens Receivable	1,928.47						1,928.47	1,754.55	
Other Accounts Receivable			62.50				62.50		
Revenue Accounts Receivable	13,503.80						13,503.80	21,915.87	
Interfunds Receivable			1,872.48			608,737.12	610,609.60	17,709.87	
Obligations Under Capital Lease -									
Unfunded		671,000.00					671,000.00	606,000.00	
Deferred Charges		4,593,437.22					4,673,437.22	5,023,807.16	
Fixed Capital	80,000.00						8,053,314.89	8,053,314.89	
Fixed Capital Authorized and Uncompleted						8,053,314.89			
Fixed Assets						6,162,034.17	6,162,034.17	2,812,034.17	
Grant Fund:						\$ 19,680,712.00	19,680,712.00	19,626,102.00	
Grants Receivable	38,900.40						38,900.40	32,310.22	
Interfund Receivable	104,552.31						104,552.31	75,234.81	
Total Assets and Other Debits	\$ 5,429,275.19	\$ 6,248,911.84	\$ 624,841.07	\$ 2,989,130.56	\$ 16,212,957.89		\$ 51,185,828.55	\$ 44,921,281.21	

See Notes to Financial Statements.

**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016)**

	Governmental Funds			Trust Funds	Utilities		General Fixed Assets Account	Totals	
	Current	General Capital			Operating	Capital		Memorandum Only	
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>									
Liabilities and Reserves:									
Appropriation Reserves	\$ 417,964.12			\$ 462,587.11				\$ 880,551.23	\$ 689,891.73
Other Liabilities and Reserves	2,292,327.54	\$ 438,612.47	\$ 624,841.07	562,509.87		3,837,636.53		7,755,927.48	3,820,159.16
Improvement Authorizations		1,196,555.77				1,144,368.54		2,340,924.31	970,419.95
Reserve for Amortization						6,072,457.24		6,072,457.24	5,814,457.24
Deferred Reserve for Amortization						2,212,891.82		2,212,891.82	2,212,891.82
Interfunds Payable	156,684.00			558,361.72				715,045.72	92,828.49
Serial Bonds		3,165,000.00				1,980,000.00		5,145,000.00	5,747,000.00
Bond Anticipation Note		579,000.00				955,000.00		1,534,000.00	1,358,500.00
Special Emergency Notes	80,000.00							80,000.00	214,584.00
Loans Payable		158,414.22						158,414.22	179,296.66
Capital Lease Obligations Payable		671,000.00						671,000.00	606,000.00
Reserve for Receivables and Other Assets	209,001.43			75,106.77				284,108.20	250,119.69
Grant Fund:									
Interfund Payable	116.19							116.19	116.19
Reserve for Encumbrances	2,103.38							2,103.38	6,000.00
Unappropriated/Appropriated Reserves	141,233.14							141,233.14	101,428.84
Total Liabilities and Reserves	\$ 3,299,429.80	\$ 6,208,582.46	\$ 624,841.07	\$ 1,658,565.47	\$ 16,202,354.13			\$ 27,993,772.93	\$ 22,063,693.77
Equity and Other Credits:									
Investment in General Fixed Assets							\$ 19,680,712.00	\$ 19,680,712.00	\$ 19,626,102.00
Fund Balance	\$ 2,129,845.39	\$ 40,329.38		\$ 1,330,565.09	\$ 10,603.76			3,511,343.62	3,231,485.44
Total Equity and Other Credits	\$ 2,129,845.39	\$ 40,329.38		\$ 1,330,565.09	\$ 10,603.76		\$ 19,680,712.00	\$ 23,192,055.62	\$ 22,857,587.44
Total Liabilities, Reserves and Fund Balance	\$ 5,429,275.19	\$ 6,248,911.84	\$ 624,841.07	\$ 2,989,130.56	\$ 16,212,957.89		\$ 19,680,712.00	\$ 51,185,828.55	\$ 44,921,281.21

See Notes to Financial Statements.

**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Current Fund		Variance Favorable (Unfavorable)	Utility Operating Funds (1)		Variance Favorable (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
Revenues:						
Fund Balance Anticipated	\$ 785,000.00	\$ 785,000.00		\$ 434,614.00	\$ 434,614.00	
Rents				1,905,000.00	1,994,577.34	\$ 89,577.34
Miscellaneous Revenues	937,043.91	1,064,248.97	\$ 127,205.06	1,722,084.00	1,686,392.47	(35,691.53)
State Aid	355,290.00	355,290.00				
Grants	44,808.71	44,808.71				
	\$ 2,122,142.62	\$ 2,249,347.68	\$ 127,205.06	\$ 4,061,698.00	\$ 4,115,583.81	\$ 53,885.81
Receipts from Delinquent Taxes						
Amount to be Raised by Taxes for Support of Municipal Budget:	100,000.00	151,774.00	51,774.00			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	6,940,110.51	7,250,782.35	310,671.84			
Budget Totals	\$ 9,162,253.13	\$ 9,651,904.03	\$ 489,650.90	\$ 4,061,698.00	\$ 4,115,583.81	\$ 53,885.81
Nonbudget Revenues		149,443.71	149,443.71		38,453.74	38,453.74
Other Credits to Income		599,920.59	599,920.59		371,749.84	371,749.84
Taxes Allocated to School and County		9,318,906.09	9,318,906.09			
Total Revenues	\$ 9,162,253.13	\$ 19,720,174.42	\$ 10,557,921.29	\$ 4,061,698.00	\$ 4,525,787.39	\$ 464,089.39

See Notes to Financial Statements.

**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Current Fund		Variance Favorable (Unfavorable)	Utility Operating Funds (1)		Variance Favorable (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 639,004.00	\$ 639,004.00				
Land Use	29,838.00	29,838.00				
Code Enforcement	109,840.00	109,840.00				
Insurance	1,270,867.00	1,270,867.00				
Public Safety	2,630,188.00	2,630,188.00				
Public Works	1,094,563.00	1,094,563.00				
Health and Human Services	23,710.00	23,710.00				
Parks and Recreation	184,884.00	184,884.00				
Utility Expenses and Bulk Purchases	262,550.00	262,550.00				
Deferred Charges and Statutory						
Expenditures	808,383.00	808,383.00				
Uniform Construction Code	99,135.00	99,135.00				
Excluded from "CAPS":						
General Government	35,000.00	35,000.00				
Library	394,588.32	394,588.32				
Grants	54,808.71	54,808.71				
Utility Operating				\$ 3,157,571.00	\$ 3,157,571.00	
Capital Improvements	346,753.00	346,753.00		232,950.00	232,950.00	
Municipal Debt Service	556,894.28	556,894.28		486,739.00	486,739.00	
Deferred Charges	134,583.50	134,583.50		184,438.00	184,438.00	
Reserve for Uncollected Taxes	486,663.32	486,663.32				
Total Budget Expenditures	\$ 9,162,253.13	\$ 9,162,253.13		\$ 4,061,698.00	\$ 4,061,698.00	

See Notes to Financial Statements.

**BOROUGH OF BRADLEY BEACH**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Current Fund		Variance Favorable (Unfavorable)	Utility Operating Funds (1)		Variance Favorable (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
County and School Taxes	\$	\$ 9,319,906.09	\$ (9,319,906.09)			
Other Expenses		226,608.06	(226,608.06)		\$	
Total Expenditures	\$ 9,162,253.13	\$ 18,708,767.28	\$ (9,546,514.15)	\$ 4,061,698.00	\$ 4,061,698.00	
Excess in Revenues over Expenditures/ Statutory Excess to Fund Balance	-	\$ 1,011,407.14	\$ 1,011,407.14		\$ 464,089.39	\$ 464,089.39
Fund Balance, January 1, 2017		1,903,438.25	1,903,438.25		1,301,089.70	1,301,089.70
		\$ 2,914,845.39	\$ 2,914,845.39		\$ 1,765,179.09	\$ 1,765,179.09
Decreased By:						
Utilization as Anticipated Revenue		\$ 785,000.00	\$ 785,000.00		\$ 434,614.00	\$ 434,614.00
Fund Balance, December 31, 2017		\$ 2,129,845.39	\$ 2,129,845.39		\$ 1,330,565.09	\$ 1,330,565.09

(1) Beach and Sewer Utility Operating.

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>BALANCE, DECEMBER 31, 2016</u>		\$	16,353.73
<u>INCREASED BY</u>			
Cancellation of Funded Improvement Authorizations	\$	19,610.65	
Premium on Sale of Bond Anticipation Notes		<u>4,365.00</u>	<u>23,975.65</u>
<u>BALANCE, DECEMBER 31, 2017</u>		\$	<u><u>40,329.38</u></u>



BOROUGH OF BRADLEY BEACH  
UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Beach Utility <u>Capital Fund</u>	Sewer Utility <u>Capital Fund</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2016</u>	\$ 9,202.35	\$ 1,401.41	\$ 10,603.76
AND			
<u>BALANCE, DECEMBER 31, 2017</u>	\$ <u>9,202.35</u>	\$ <u>1,401.41</u>	\$ <u>10,603.76</u>

(There was no change during the year.)

## **NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Reporting Entity - The Borough of Bradley Beach (the "Borough") is located in Monmouth County, along the New Jersey coastline, approximately 60 miles south of the City of New York. The population, according to the 2010 census, is 4,298.

The Borough of Bradley Beach operates under the Borough small mayor-council form of government consisting of four (4) council members and a mayor. The mayor is a voting member of the Governing Body. The financial statements of the Borough of Bradley Beach do not include the operations of the municipal library, first aid organization or volunteer fire company.

- B. Description of Funds - The Governmental Accounting Standards Board ("GASB") is the recognized standard setting body for establishing governmental accounting and financial reporting principles. However, the accounting policies of the Borough conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are regulatory basis, which differs from accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds and a capital asset account differs from GAAP.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activities of federal, state, county and local grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The records of receipts, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund, Trust Other Fund, Tourism Trust Fund and Public Assistance Trust Fund. The Payroll Trust Fund – Accounts for the net salaries, payroll deductions and social security contribution of municipal and utility operations.

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

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Capital Asset Account - This account reflects estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

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

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

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

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

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued)

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

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

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

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

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

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

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

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

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

Inventories of Supplies - Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Beach and Sewer utilities is required, by regulation, for inclusion on the Beach and Sewer Utility Operating Fund balance sheets. Annual charges in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Fixed (Capital) Assets

General - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Borough has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

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

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed (Capital) Assets (Continued)

General (Continued)

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

Vehicles, furniture, equipment and other items are reflected at historical cost. Additions to the established fixed assets are valued at cost.

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

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

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

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

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



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

E. Other Accounting Standards

The Borough is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement No. 75. Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statements.



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement No. 83. Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 84. Fiduciary Activities.* This objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments.

The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 85. Omnibus 2017.* This objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 27, 2017. The Borough does not expect this Statement to impact its financial statements.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. **Other Accounting Standards (Continued)**

- *GASB Statement No. 86. Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 27, 2017. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 87. Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

F. **Subsequent Events**

Management has reviewed and evaluated all events and transactions from December 31, 2017 through June 29, 2018 for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Borough that would require disclosure except as disclosed in Note 6 (Subsequent Event - Improvement Authorizations and Bond Anticipation Notes).

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

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

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

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

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

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

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

B. Investments

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

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

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

C. Risk Category

As of December 31, 2017, the Borough had funds on deposit in checking and statement savings accounts. The amount of the Borough's Cash and Cash Equivalents on deposit as of December 31, 2017, was \$9,999,751.40. These funds constitute "deposits with financial institutions" as defined by GASB No. 3 as amended by GASB No. 40. There were no securities categorized as Investments as defined by GASB Statement No. 3 as amended by No. 40.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE

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

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

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency as billed prior to the end of the fiscal year. The penalty so fixed shall not exceed 6% of the amount of the delinquency with respect to each most recent fiscal year only. The resolution also sets a grace period of ten days before interest is calculated.

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

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

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

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

**Comparative Schedule of Tax Rates (per \$100.00 of Assessed Valuation)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	\$ 1.414	\$ 1.398	\$ 1.396	\$ 1.384	\$ 1.369
Apportionment of Tax Rate:					
Municipal:					
Regular	0.570	0.571	0.569	0.556	0.546
Library	0.034	0.033	0.032	0.032	0.034
County:					
Regular	0.264	0.260	0.264	0.266	0.270
Open Space	0.016	0.015	0.014	0.015	0.015
Health	0.005	0.005	0.005	0.005	0.005
Local School	0.525	0.514	0.512	0.510	0.499

**Assessed Valuation (Net Taxable Value)**

<u>Year</u>	<u>Amount</u>
2017	\$ 1,149,597,400.00
2016	1,146,191,500.00
2015	1,131,026,920.00
2014	1,112,381,900.00
2013	1,121,780,200.00

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2017	\$ 16,285,302.99	16,082,693.51	98.76%
2016	16,055,773.10	15,899,783.52	99.03%
2015	15,810,619.46	15,641,002.73	98.93%
2014	15,428,910.06	15,230,930.19	98.72%
2013	15,268,796.59	15,010,815.82	98.31%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percent of Tax Levy</u>
2017	\$ 1,928.47	193,569.16	\$ 195,497.63	1.20%
2016	1,754.55	149,682.14	151,436.69	0.94%
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%

Note 4. UTILITY RECEIVABLES AND COLLECTIONS

Sewer Utility

The Borough operates a Sewer Utility for the benefit of its residents.

Comparison of Sewer Utility Levies and Collections

The Borough's Sewer Utility customers are billed quarterly based on a fixed per unit fee basis.

<u>Year</u>	<u>Levy</u>	<u>Cash Collections *</u>
2017	\$ 1,992,954.75	\$ 1,994,577.34
2016	1,987,011.37	2,009,189.26
2015	2,014,802.91	1,996,181.90
2014	2,003,843.78	2,018,961.09
2013	2,005,531.25	1,988,335.76

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



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 4. UTILITY RECEIVABLES AND COLLECTIONS

Comparison of Sewer Utility Levies and Collections (Continued)

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

Beach Utility

The Borough operates a Beachfront Utility for the benefit of its residents and tourist visiting the Jersey Shore (Atlantic Ocean).

Comparison of Beach Utility Collections

The Borough regularly collects money for bathing badges, concession rentals, parking meters, and beach lockers.

<u>Year</u>	<u>Cash Collections</u>
2017	\$ 1,686,392.47
2016	1,842,532.15
2015	1,928,322.91
2014 *	1,697,701.64
2013 *	1,474,695.83

\* The Borough collected fees from a miniature golf course. However, in 2013, a concession lease agreement with Harris Miniature Golf Courses Inc. was created for the design and operation of a newly designed golf course. The lease includes ten (10) annual payments to be received by the Borough, for Shipwreck Island Mini Golf to continue operations. This lease bares no expenses to the Borough and the revenue is through Concession Rental fees.



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 5. **FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Transferred to Current Fund as Revenue in Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>				
2017	\$ 2,129,845.39	\$ 997,000.00	N/A	46.81%
2016	1,903,438.25	785,000.00	N/A	41.24%
2015	1,785,887.98	785,567.92	N/A	43.99%
2014	1,671,886.95	735,626.60	N/A	44.00%
2013	1,346,547.25	515,000.00	N/A	38.25%
<u>Beach Utility Operating Fund</u>				
2017	\$ 189,081.15	\$ 163,557.00	\$ None	86.50%
2016	483,466.42	401,966.00	None	83.14%
2015	538,419.04	348,749.95	None	64.77%
2014	335,129.45	277,905.20	None	82.92%
2013	253,112.93	203,830.63	None	80.53%
<u>Sewer Utility Operating Fund</u>				
2017	\$ 1,141,483.94	\$ 29,317.00	\$ None	2.57%
2016	817,623.28	32,648.00	None	3.99%
2015	752,289.46	115,834.57	None	15.40%
2014	705,476.65	132,685.40	None	18.81%
2013	466,031.21	45,148.00	None	9.69%

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. MUNICIPAL DEBT

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

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
Issued			
General:			
Bonds, Notes and Loans	\$ 3,902,414.22	\$ 4,446,796.66	\$ 4,560,767.63
Beach Utility:			
Bonds and Notes	1,850,000.00	2,078,000.00	1,631,000.00
Sewer Utility:			
Bonds and Notes	<u>1,085,000.00</u>	<u>760,000.00</u>	<u>790,000.00</u>
Net Debt Issued	<u>\$ 6,837,414.22</u>	<u>\$ 7,284,796.66</u>	<u>\$ 6,981,767.63</u>
Authorized but Not Issued			
General:			
Bonds and Notes	\$ 691,023.00	\$ 362,427.00	\$ 171,564.00
Beach Utility:			
Bonds and Notes	500,000.00	None.	None.
Sewer Utility:			
Bonds and Notes	<u>2,495,000.00</u>	<u>None.</u>	<u>None.</u>
Total Authorized but Not Issued	<u>\$ 3,686,023.00</u>	<u>\$ 362,427.00</u>	<u>\$ 171,564.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 10,523,437.22</u>	<u>\$ 7,647,223.66</u>	<u>\$ 7,153,331.63</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. **MUNICIPAL DEBT (CONTINUED)**

**Summary of Statutory Debt Condition, Annual Debt Statement**

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 0.386%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 923,000.00	\$ 923,000.00	None
Beach Utility	2,350,000.00	2,350,000.00	None
Sewer Utility	3,580,000.00	3,580,000.00	None
General	<u>4,593,437.22</u>	<u>36,860.17</u>	<u>\$ 4,556,577.05</u>
	<u>\$ 11,446,437.22</u>	<u>\$ 6,889,860.17</u>	<u>\$ 4,556,577.05</u>

Net Debt \$4,556,577.05 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$1,179,100,018.33 equals 0.386%. The Annual Debt Statement has been filed.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 41,265,500.64
Net Debt	<u>4,556,577.05</u>
Remaining Borrowing Power	<u>\$ 36,708,923.59</u>

**School Debt Deduction**

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

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. MUNICIPAL DEBT (CONTINUED)

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

Cash Receipts from Fees, Rents and Other Charges for the Year			\$ 2,112,548.79
Deduction:			
Operating and Maintenance Costs	\$ 1,706,101.00		
Debt Service	<u>308,147.87</u>	<u>2,014,248.87</u>	
Excess in Revenue			\$ <u>98,299.92</u>

There being an excess in revenue for the beach utility, the fund was self-liquidating and therefore, for purposes of the annual debt statement and resultant net debt calculation, all the related debt is deductible.

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

Cash Receipts from Fees, Rents and Other Charges for the Year			\$ 2,037,237.42
Deductions:			
Operating and Maintenance Costs	\$ 1,635,908.00		
Debt Service	<u>67,292.82</u>		
Total Deductions		<u>1,703,200.82</u>	
Excess in Revenue			\$ <u><u>334,036.60</u></u>

There being an excess in revenue for the sewer utility, the fund was self-liquidating and therefore, for purposes of the annual debt statement and resultant net debt calculation, all the related debt is deductible.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. **MUNICIPAL DEBT (CONTINUED)**

**Noncurrent (Long-Term) Debt**

As of December 31, 2017, the Borough's long-term debt is as follows:

**General Serial Bonds**

\$1,030,000.00 2014 Monmouth County Improvement Authority ("MCIA") General Improvement Bonds final installment due on December 1, 2030 with maturities ranging from \$50,000.00 and \$90,000.00 at interest rates ranging from 4.00% to 5.00%. \$ 890,000.00 \*

\$780,000.00 2014 mcia Library Improvement Bonds final installment due on December 1, 2034 with maturities ranging from \$25,000.00 and \$50,000.00 at interest rates ranging from 3.25% to 5.00%. 625,000.00 \*

\$1,665,000.00 2016 MCIA Refunding Bonds final installment due on December 1, 2022 with maturities ranging from \$300,000.00 and \$360,000.00 at interest rates ranging from 4.00% to 5.00%. 1,650,000.00 \*\*

\$ 3,165,000.00

**Beach Utility Capital Fund Serial Bonds**

\$1,525,000.00 2014 MCIA Beach Improvement Bonds final installment due on December 1, 2027 with maturities ranging from \$100,000.00 and \$155,000.00 at interest rates ranging from 4.00% to 5.00%. \$ 1,250,000.00 \*

\$ 1,250,000.00

**Sewer Utility Capital Fund Serial Bonds**

\$820,000.00 2014 MCIA Sewer Improvement Bonds final installment due on December 1, 2034 with maturities ranging from \$30,000.00 and \$60,000.00 at interest rates ranging from 3.25% to 5.00%. 730,000.00 \*

\$ 730,000.00

\$ 5,145,000.00

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt (Continued)

Redemption

- \* The Bonds are not subject to redemption prior to their final maturity.
- \*\* Optional Redemption – the Series 2016 Bonds maturing on or before December 1, 2025 shall not be subject to optional redemption prior to their respective maturity dates. The Series 2016 Bonds maturing on or after December 1, 2026 shall be subject to optional redemption prior to their respective maturity dates, on or after December 1, 2025 at the option of the MCIA, upon notice as herein described, either in whole or in part by lot within a single maturity from maturities selected by the MCIA, on any date, at a redemption price equal to 100% of the principal amount thereof (the “Redemption Price”) and accrued interest thereon to the date of redemption.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt for the Next Five (5) Years and Thereafter:

<u>Year</u>	<u>General Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	450,000.00	74,800.00	524,800.00
	<u>2,065,000.00</u>	<u>566,700.00</u>	<u>2,631,700.00</u>
2023	95,000.00	52,300.00	147,300.00
2024	95,000.00	47,550.00	142,550.00
2025	105,000.00	42,800.00	147,800.00
2026	110,000.00	37,550.00	147,550.00
2027	120,000.00	32,050.00	152,050.00
	<u>525,000.00</u>	<u>212,250.00</u>	<u>737,250.00</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. **MUNICIPAL DEBT (CONTINUED)**

**Noncurrent (Long-Term) Debt (Continued)**

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt for the Next Five (5) Years and Thereafter: (Continued)**

General Capital Fund (Continued)			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2028	120,000.00	26,050.00	146,050.00
2029	125,000.00	20,050.00	145,050.00
2030	135,000.00	13,800.00	148,800.00
2031	45,000.00	7,050.00	52,050.00
2032	50,000.00	5,250.00	55,250.00
	<u>475,000.00</u>	<u>72,200.00</u>	<u>547,200.00</u>
2033	50,000.00	3,250.00	53,250.00
2034	50,000.00	1,625.00	51,625.00
	<u>100,000.00</u>	<u>4,875.00</u>	<u>104,875.00</u>
	<u>\$ 3,165,000.00</u>	<u>\$ 856,025.00</u>	<u>\$ 4,021,025.00</u>

Beach Utility Capital Fund			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 100,000.00	\$ 59,350.00	\$ 159,350.00
2019	105,000.00	55,350.00	160,350.00
2020	110,000.00	51,150.00	161,150.00
2021	115,000.00	46,760.00	161,760.00
2022	120,000.00	41,000.00	161,000.00
	<u>550,000.00</u>	<u>253,610.00</u>	<u>803,610.00</u>
2023	125,000.00	35,000.00	160,000.00
2024	135,000.00	28,750.00	163,750.00
2025	140,000.00	22,000.00	162,000.00
2026	145,000.00	15,000.00	160,000.00
2027	155,000.00	7,750.00	162,750.00
	<u>700,000.00</u>	<u>108,500.00</u>	<u>808,500.00</u>
	<u>\$ 1,250,000.00</u>	<u>\$ 362,110.00</u>	<u>\$ 1,612,110.00</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt for the Next Five (5) Years and Thereafter: (Continued)

Sewer Utility Capital Fund			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 30,000.00	\$ 32,400.00	\$ 62,400.00
2019	30,000.00	31,200.00	61,200.00
2020	30,000.00	30,000.00	60,000.00
2021	30,000.00	28,800.00	58,800.00
2022	35,000.00	27,300.00	62,300.00
	<u>155,000.00</u>	<u>149,700.00</u>	<u>304,700.00</u>
2023	35,000.00	25,550.00	60,550.00
2024	40,000.00	23,800.00	63,800.00
2025	40,000.00	21,800.00	61,800.00
2026	40,000.00	19,800.00	59,800.00
2027	45,000.00	17,800.00	62,800.00
	<u>200,000.00</u>	<u>108,750.00</u>	<u>308,750.00</u>
2028	45,000.00	15,550.00	60,550.00
2029	50,000.00	13,300.00	63,300.00
2030	50,000.00	10,800.00	60,800.00
2031	55,000.00	8,300.00	63,300.00
2032	55,000.00	6,100.00	61,100.00
	<u>255,000.00</u>	<u>54,050.00</u>	<u>309,050.00</u>
2033	60,000.00	3,900.00	63,900.00
2034	60,000.00	1,950.00	61,950.00
	<u>120,000.00</u>	<u>5,850.00</u>	<u>125,850.00</u>
	<u>\$ 730,000.00</u>	<u>\$ 318,350.00</u>	<u>\$ 1,048,350.00</u>



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt for the Next Five (5) Years and Thereafter: (Continued)

Year	Grand Total		
	Principal	Interest	Total
2018	\$ 505,000.00	\$ 238,800.00	\$ 743,800.00
2019	530,000.00	218,600.00	748,600.00
2020	550,000.00	197,400.00	747,400.00
2021	580,000.00	172,110.00	752,110.00
2022	605,000.00	143,100.00	748,100.00
	<u>2,770,000.00</u>	<u>970,010.00</u>	<u>3,740,010.00</u>
2023	255,000.00	112,850.00	367,850.00
2024	270,000.00	100,100.00	370,100.00
2025	285,000.00	86,600.00	371,600.00
2026	295,000.00	72,350.00	367,350.00
2027	320,000.00	57,600.00	377,600.00
	<u>1,425,000.00</u>	<u>429,500.00</u>	<u>1,854,500.00</u>
2028	165,000.00	41,600.00	206,600.00
2029	175,000.00	33,350.00	208,350.00
2030	185,000.00	24,600.00	209,600.00
2031	100,000.00	15,350.00	115,350.00
2032	105,000.00	11,350.00	116,350.00
	<u>730,000.00</u>	<u>126,250.00</u>	<u>856,250.00</u>
2033	110,000.00	7,150.00	117,150.00
2034	110,000.00	3,575.00	113,575.00
	<u>220,000.00</u>	<u>10,725.00</u>	<u>230,725.00</u>
	<u>\$ 5,145,000.00</u>	<u>\$ 1,536,485.00</u>	<u>\$ 6,681,485.00</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. MUNICIPAL DEBT (CONTINUED)

Noncurrent (Long-Term) Debt (Continued)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes (BAN's) are summarized as follows:

	Original Issue Date	Interest Rate	Amount	Maturities	
				First	Final
General Capital Fund					
Ordinance 15-08	5/23/2016	2.25%	\$ 95,000.00	2019	2026
Ordinance 16-01	5/23/2016	2.25%	<u>484,000.00</u>	2019	2026
			<u>\$ 579,000.00</u>		
Beach Capital Fund					
Ordinance 16-02	5/23/2016	2.25%	<u>\$ 600,000.00</u>	2019	2026
			<u>\$ 600,000.00</u>		
Sewer Capital Fund					
Ordinance 17-11	5/22/2017	2.25%	<u>\$ 355,000.00</u>	2020	2027
			<u>355,000.00</u>		
			<u>\$ 1,534,000.00</u>		

Subsequent Event:

Subsequent to yearend the Borough issued BAN's in the amount of \$1,851,000.00 which consisted of new money of \$455,000.00 and budgeted paydowns \$138,000.00, the BAN's will mature on May 17, 2019 at an interest rate of 2.0%.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. MUNICIPAL DEBT (CONTINUED)

Green Trust Loan – General Capital Fund

The Borough has a \$400,000.00 loan from the State of New Jersey Department of Environmental Protection (NJDEP) for parks, playgrounds and recreational improvements at 2.00% interest with a final maturity on September 22, 2024. The semi-annual payments range from \$10,598.10 to \$12,061.63. Repayment for the next five (5) years and every five (5) years thereafter is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 21,302.18	\$ 3,062.30	\$ 24,364.48
2019	21,730.35	2,634.13	24,364.48
2020	22,167.13	2,197.35	24,364.48
2021	22,612.68	1,751.79	24,364.47
2022	23,067.20	1,297.28	24,364.48
	<u>110,879.54</u>	<u>10,942.85</u>	<u>121,822.39</u>
2023	23,530.85	833.63	24,364.48
2024	24,003.83	240.04	24,243.87
	<u>47,534.68</u>	<u>1,073.67</u>	<u>48,608.35</u>
	<u>\$ 158,414.22</u>	<u>\$ 12,016.52</u>	<u>\$ 170,430.74</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 6. MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized but not Issued

At December 31, 2017, the Borough of Bradley Beach has authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 691,023.00
Beach Utility Capital Fund	500,000.00
Sewer Utility Capital Fund	<u>2,495,000.00</u>
	<u>\$ 3,686,023.00</u>

Improvement Authorization

Subsequent to year the Borough amended Improvement Authorizations to a revised amount of \$720,000.00, of which \$630,000.00 was the original appropriations and additional funds of \$90,000.00 were provided by NJDOT grant of \$55,000.00, bonds and notes authorized of \$33,000.00 and capital improvement fund of \$2,000.00.

Continuing Disclosure Requirement

As a result of the issuance of General Obligation Bonds, the Borough is not obligated to comply with the Securities and Exchange Commission Rule 15c2-12 related to the Annual Continuing Disclosure Requirement.

Note 7. LEASES

Monmouth County Improvement Authority (MCIA) – The Borough entered into various 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.

Operating Leases – The Borough entered into lease agreements for various vehicles funded through the MCIA Capital Equipment and Improvement Revenue Bond Series 2009, Series 2011, Series 2013, Series 2015 and Series 2017. The principal and interest are provided in the Current Fund Budget within the appropriation “CAPS” and are as follows:

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 7. LEASES (CONTINUED)

Debt Service - MCIA

Year	2009		2011		2013	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 23,000.00	\$ 1,997.50	\$ 5,000.00	\$ 965.00	\$ 41,000.00	\$ 9,490.00
2019	24,000.00	1,020.00	6,000.00	840.00	34,000.00	7,440.00
2020			6,000.00	600.00	36,000.00	6,080.00
2021			6,000.00	300.00	37,000.00	4,640.00
2022					39,000.00	3,160.00
	<u>47,000.00</u>	<u>3,017.50</u>	<u>23,000.00</u>	<u>2,705.00</u>	<u>187,000.00</u>	<u>30,810.00</u>
2023					40,000.00	1,600.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>40,000.00</u>	<u>1,600.00</u>
	<u>\$ 47,000.00</u>	<u>\$ 3,017.50</u>	<u>\$ 23,000.00</u>	<u>\$ 2,705.00</u>	<u>\$ 227,000.00</u>	<u>\$ 32,410.00</u>

Year	2015		2017		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 54,000.00	\$ 9,170.00	\$ 31,000.00	\$ 7,695.70	\$ 154,000.00	\$ 29,318.20
2019	39,000.00	6,470.00	34,000.00	7,030.00	137,000.00	22,800.00
2020	41,000.00	4,520.00	34,000.00	5,670.00	117,000.00	16,870.00
2021	10,000.00	2,470.00	22,000.00	3,970.00	75,000.00	11,380.00
2022	11,000.00	1,970.00	22,000.00	2,870.00	72,000.00	8,000.00
	<u>155,000.00</u>	<u>24,600.00</u>	<u>143,000.00</u>	<u>27,235.70</u>	<u>555,000.00</u>	<u>88,368.20</u>
2023	11,000.00	1,750.00	8,000.00	1,770.00	59,000.00	5,120.00
2024	12,000.00	1,200.00	8,000.00	1,570.00	20,000.00	2,770.00
2025	12,000.00	600.00	8,000.00	1,170.00	20,000.00	1,770.00
2026			8,000.00	850.00	8,000.00	850.00
2027			9,000.00	450.00	9,000.00	450.00
	<u>35,000.00</u>	<u>3,550.00</u>	<u>41,000.00</u>	<u>5,810.00</u>	<u>116,000.00</u>	<u>10,960.00</u>
	<u>\$ 190,000.00</u>	<u>\$ 28,150.00</u>	<u>\$ 184,000.00</u>	<u>\$ 33,045.70</u>	<u>\$ 671,000.00</u>	<u>\$ 99,328.20</u>

Continuing Disclosure Requirements

As a result of the lease agreements with the Monmouth County Improvement Authority, the Borough is not obligated to comply with the Securities and Exchange Commission Rule 15c2-12.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

**Note 8. LOCAL DISTRICT SCHOOL TAXES**

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

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

	Local District School Taxes Balance, December 31,		
	<u>2017</u>	<u>2016</u>	<u>Increase</u>
Balance of Tax	\$ 3,218,076.00	\$ 3,140,148.00	\$ 77,928.00
Deferred Portion	<u>2,576,184.00</u>	<u>2,576,184.00</u>	<u>-</u>
	<u>\$ 5,794,260.00</u>	<u>\$ 5,716,332.00</u>	<u>\$ 77,928.00</u>

**Note 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017 the following deferred charges are shown on Balance Sheets of various funds:

	<u>Balance, December 31, 2017</u>	<u>2018 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency Authorization			
Per N.J.S.A. 40A:4-53	<u>\$ 80,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>

The appropriations in the 2017 budget are not less than that required by statute.

The Borough's Current Fund issued a special emergency note ("Note") for \$80,000.00 for one year in order to finance the balance of the appropriation. The Borough's Sewer Utility Fund is the holder of the Note as an Investment (refer to Exhibit E). The Note is for one year and is interest free. On or about June 1, the Note was rolled over for one year at \$40,000.00 which is net of a \$40,000.00 budget appropriation. Final payment will occur with the 2019 budget.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS

Description of Systems

Substantially all of the Borough's full-time employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS).

Public Employees' Retirement System

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

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

The following represents the membership tiers for PERS:

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

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Public Employees' Retirement System (Continued)

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

Police and Firemen's Retirement System

The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to Division's Comprehensive Annual Financial Report (CAFR), which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PFRS:

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



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Police and Firemen's Retirement System (Continued)

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

Contributions Required to be Made

The contribution policy for PERS is set by N.J.S.A. 43:15A and for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Employee contributions for 2017 were seven and 20/100th percent (7.20%) and effective July 1, 2017, employee contributions were increased to seven and 34/100th percent (7.34%) for PERS and 10% for PFRS of the employee's base wages. Employer's contributions are actuarially determined annually by the Division of Pensions.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 an option for local employers of PERS and PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

Contributions Required to be Made (Continued)

The Borough's contributions to the plan for the past three (3) years are as follows:

PERS

		PERS		
		2017	2016	2015
Covered Payroll	\$	1,370,290	\$ 1,447,586	\$ 1,496,492
Actuarial Contribution Requirements		194,851	178,643	177,182
Total Contributions Employer Share		194,851	178,643	177,182
Percent of Covered Employee - Payroll		14.22 %	12.34 %	11.84 %
Employee's Share		99,666	103,182	104,590
Percent of Covered Payroll		7.27 %	7.13 %	6.99 %

All contributions were equal to the required contributions for each of the three (3) years, respectively.

Due to the employee contribution percent changing July 1<sup>st</sup> of every year; the percent of covered payroll is an average of the first two quarters and the last two quarters of the year.

Pension (PERS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PERS obligation due April 1, 2018 would be needed in the amount of \$186,418.00 since the obligation relates to the period December 31, 2017 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

Contributions Required to be Made (Continued)

PFRS

	PFRS		
	2017	2016	2015
Covered Payroll	\$ 1,941,966	\$ 1,812,705	\$ 1,965,177
Actuarial Contribution Requirements	512,073	488,234	445,838
Total Contributions Employer Share	512,073	488,234	445,838
Percent of Covered Employee - Payroll	26.37 %	26.93 %	22.69 %
Employee's Share	194,197	181,270	196,518
Percent of Covered Payroll	10.00 %	10.00 %	10.00 %

All contributions were equal to the required contributions for each of the three (3) years, respectively.

Pension (PFRS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PFRS obligation due April 1, 2018 would be needed in the amount of \$498,739.00 since the obligation relates to the period December 31, 2017 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. **PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS)**

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2017 and June 30, 2016 Independent Auditor's Report dated April 27, 2018 and April 6, 2017 and respectively.

The Borough's reported liability of \$4,684,310.00 and \$6,495,971.00 for its proportionate share of the net pension liability at December 31, 2017 and December 31, 2016 respectively. The net pension liability was measured as of June 30, 2017 and June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. 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.

	June 30, (Measurement Date)	
	<u>2017</u>	<u>2016</u>
Local Group Share	\$ 23,278,401,588	\$ 29,617,131,759
Borough Proportionate Percentage	0.0201229888 %	0.0219331532 %
Difference - Decrease	(0.0018101644) %	

For the year ended December 31, 2017, the Borough's recognizable pension expense was \$344,832.00. At December 31, 2017, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 943,727	\$ 940,267
Net difference between expected and actual experience	110,299	
Net difference between projected and actual investment earnings on pension plan investment	31,897	
Changes in proportion	297,817	\$ 387,965
Borough contributions subsequent to yearend	186,418	
Total	<u>\$ 1,570,158</u>	<u>\$ 1,328,232</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The \$186,418.00 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2017, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2018	\$ 110,273
2019	166,405
2020	100,833
2021	(134,108)
2022	(97,747)

Additional Information:

Collective (local employers) balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	23,278,401,588	29,617,131,759
Borough's proportion (of Local Group)	0.0201229888 %	0.0219331532 %

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65 - 4.15 Percent (based on age)
Thereafter	2.65 – 5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. 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).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates; the larger the impact on future financial statements.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50	1.00
U.S. Treasuries	3.00	1.87
Investment Grade Credit	10.00	3.78
Public High Yield	2.50	6.82
Global Diversified Credit	5.00	7.10
Credit oriented Hedge Funds	1.00	6.60
Debt related Private Equity	2.00	10.63
Debt related Real Estate	1.00	6.61
Private Real Asset	2.50	11.83
Equity related Real Estate	6.25	9.23
U.S. Equity	30.00	8.19
Non-U.S. Developed Markets Equity	11.50	9.00
Emerging Market Equities	6.50	11.64
Buyouts/Venture Capital	8.25	13.08
	<u>100.00 %</u>	



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 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 2040.

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2017 and June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

		December 31, 2017		
		1% Decrease	At Current	1% Increase
		<u>4.00%</u>	<u>Discount Rate</u>	<u>6.00%</u>
			<u>5.00%</u>	
Borough's proportionate share				
of the pension liability	\$	5,811,205	\$ 4,684,310	\$ 3,745,467



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate (Continued)

	December 31, 2016		
	At Current		
	1% Decrease <u>2.98%</u>	Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
Borough's proportionate share of the pension liability	\$ 7,960,054	\$ 6,495,971	\$ 5,287,243

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 (PERS) or by visiting their website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

Police and Firemen's Retirement System (PFRS)

The information for PFRS was abstracted from State of New Jersey Police and Firemen's Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2017 and June 30, 2016 Independent Auditor's Report dated April 27, 2018 and April 6, 2017, respectively.

The Borough reported liability net of the Special Funding situation, is \$8,699,893.00 and \$11,997,323.00 for its proportionate share of the net pension liability at December 31, 2017 and December 31, 2016, respectively. The net pension liability was measured as of June 30, 2017 and June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. 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.

	June 30, (Measurement Date)	
	<u>2017</u>	<u>2016</u>
Local Group Share	\$ 15,438,066,691	\$ 19,102,557,969
Borough Proportionate Percentage	0.0563535139 %	0.0628047965 %
Difference - Decrease	(0.0064512826)	

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

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

For the year ended December 31, 2017, the Borough's recognizable pension expense was \$759,741.00. At December 31, 2017, the Borough reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 1,072,794	\$ 1,424,788
Net difference between expected and actual experience	56,440	51,061
Net difference between projected and actual investment earnings on pension plan investment	166,014	
Changes in proportion	432,851	807,477
Borough contributions subsequent to yearend	<u>498,739</u>	
Total	<u><u>\$ 2,226,838</u></u>	<u><u>\$ 2,283,326</u></u>

The \$498,739.00 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2017, the *plan measurement date* is June 30, 2017) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2018	\$ 105,862
2019	286,708
2020	58
2021	(397,342)
2022	(175,887)

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

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

Additional Information:

Collective (local employers) balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$ 2,941,952,753	\$ 4,547,316,543
Collective deferred inflows of resources	3,262,432,093	688,197,590
Collective net pension liability		
Local Group	\$ 17,167,260,198	\$ 20,706,699,056
Less: Special Funding Situation (1)	<u>1,729,193,507</u>	<u>1,604,141,087</u>
	<u>\$ 15,438,066,691</u>	<u>\$ 19,102,557,969</u>
Borough's proportion (of Local Group)	0.0563535139 %	0.0628047965 %

(1) Special Funding Situation

A special funding situation exists for the local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2017 State special funding situation net pension liability amount of \$1,729,193,507, is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. Since the local employers do not contribute under this legislation directly to the plan (except for employer required contribution amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local employers related to this legislation. However, the notes to the financial statements of the local employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

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

Actuarial Assumptions

The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

Inflation	2.25 Percent
Salary Increases:	
Through 2026	2.10 – 8.98 Percent (based on age)
Thereafter	3.10 – 9.98 Percent (based on age)
Investment Rate of Return	7.00 Percent

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 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, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based 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.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50	1.00
U.S. Treasuries	3.00	1.87
Investment Grade Credit	10.00	3.78
Public High Yield	2.50	6.82
Global Diversified Credit	5.00	7.10
Credit oriented Hedge Funds	1.00	6.60
Debt related Private Equity	2.00	10.63
Debt related Real Estate	1.00	6.61
Private Real Asset	2.50	11.83
Equity related Real Estate	6.25	9.23
U.S. Equity	30.00	8.19
Non-U.S. Developed Markets Equity	11.50	9.00
Emerging Market Equities	6.50	11.64
Buyouts/Venture Capital	8.25	13.08
	<u>100.00 %</u>	

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability inclusive of the Special Funding situation of the participating employers as of (*measurement dates*) June 30, 2017, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

		December 31, 2017		
		1% Decrease	At Current	1% Increase
		<u>5.14%</u>	Discount Rate <u>6.14%</u>	<u>7.14%</u>
Borough's proportionate share				
of the pension liability	\$	12,746,759	\$ 9,674,354	\$ 7,150,025

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 10. PENSION PLANS (CONTINUED)

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

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate (Continued)

	December 31, 2016		
	1% Decrease <u>4.55%</u>	At Current Discount Rate <u>5.55%</u>	1% Increase <u>6.55%</u>
Borough's proportionate share of the pension liability	\$ 16,768,736	\$ 13,004,800	\$ 9,935,537

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 or by visiting their website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

**Note 11    POST EMPLOYMENT RETIREMENT BENEFITS**

In addition to the pension benefits described in Note 10, the Borough provides post retirement healthcare benefits for employees who retire with 25 years or more of service and their dependents. Benefits consist of full medical coverage as if the individuals were still employed, until they become eligible for Medicare, at which time Medicare becomes the primary insurer and the Borough plan becomes the secondary insurer.

**Plan Description – New Jersey State Health Benefits Program (“NJSHBP”)**

The NJSHBP as of July 1, 2016 had “local employees” statewide of 358,297 active and 244,306 retired for a total of 602,603 members. The Borough at December 31, 2017 had 35 active and 25 retired employees for a total participation of 60.

The Borough contributes to the NJSHBP, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. NJSHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. NJSHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. In accordance with GASB’s 43 and 45, the NJSHBP has been determined to be a cost-sharing multiple-employer plan. Under GASB 45, the Borough is not required nor allowed to accrue reserves to fund the ultimate payment of the retirees health benefit obligation that is being earned.

The New Jersey State Health Benefits (“NJSHB”) Commission is the executive body established by statute to be responsible for the operation of the NJSHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and an annual actuarial valuation report. Those reports may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/health-benefits.shtml](http://www.state.nj.us/treasury/pensions/health-benefits.shtml).



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Funding Policy

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

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

<u>Fiscal Year</u>	<u>Number of Employees</u>	<u>Employer's Cost</u>
2017	25	\$ 512,425.88
2016	25	467,727.23
2015	21	435,806.69

Note 12. RISK MANAGEMENT

Property and Liability Insurance

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

For the year ending December 31, 2017, the Fund provided the following types of coverages: Auto, General Liability, Workmen's Compensation, Property, Public Officials Liability, Boiler and Public Official Surety/Dishonesty coverage.

The Borough has contracted with the JIF for coverage and is subject to certain policy limits. The coverage is designed to minimize the impact of any potential losses to the Borough for matters that may have been caused or related to the Borough or its employees.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 12. RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance

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

<u>Year Ended December 31,</u>	<u>Employer Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 35,000.00	\$ 15.52	\$ 10,330.39	\$ 175,906.60
2016	35,000.00	13.56	18,572.97	151,221.47
2015	35,000.00	12.50	47,610.71	134,780.88

Note 13. INTERFUNDS RECEIVABLE AND PAYABLE

Interfunds receivable and payable balances at December 31, 2017 were as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current		\$ 156,684.00
Grant	\$ 104,552.31	116.19
Payroll Trust	1,872.48	
Sewer Utility Operating		558,361.72
Beach Utility Capital	<u>608,737.12</u>	
	<u>\$ 715,161.91</u>	<u>\$ 715,161.91</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 14. SEGMENT INFORMATION FOR UTILITY OPERATING ENTERPRISE FUNDS

The Borough of Bradley Beach maintains enterprise funds that provides sewer to the residents and businesses of the Borough; and the luxuries of a beach town to the residents and tourists visiting the Jersey Shore. Segment information for the year ended December 31, 2017 is as follows:

	<u>Beach Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise (Utility) Fund</u>
Revenue and Other Income Realized:			
Operating Fund Balance Appropriated	\$ 401,966.00	\$ 32,648.00	\$ 434,614.00
Beach Revenues	1,686,392.47		1,686,392.47
Rents		<u>1,994,577.34</u>	<u>1,994,577.34</u>
Budget Revenue Totals	2,088,358.47	2,027,225.34	4,115,583.81
Other Credits to Income:			
Nonbudget Revenue	25,863.97	12,589.77	38,453.74
Unexpended Balance of Appropriation Reserves	113,556.86	146,894.37	260,451.23
Current Appropriations Canceled	<u>3,851.43</u>	<u>107,447.18</u>	<u>111,298.61</u>
Total Revenues	<u>\$ 2,231,630.73</u>	<u>\$ 2,294,156.66</u>	<u>\$ 4,525,787.39</u>
Expenditures:			
Operating	\$ 1,613,101.00	\$ 1,544,470.00	\$ 3,157,571.00
Capital Improvements	105,950.00	127,000.00	232,950.00
Debt Service	311,999.00	174,740.00	486,739.00
Deferred Charges and Statutory Expenditures	<u>93,000.00</u>	<u>91,438.00</u>	<u>184,438.00</u>
Total Expenditures	<u>\$ 2,124,050.00</u>	<u>\$ 1,937,648.00</u>	<u>\$ 4,061,698.00</u>
Excess in Revenue	<u>\$ 107,580.73</u>	<u>\$ 356,508.66</u>	<u>\$ 464,089.39</u>
Statutory Excess in Revenue	\$ 107,580.73	\$ 356,508.66	\$ 464,089.39
Fund Balance, January 1	<u>483,466.42</u>	<u>817,623.28</u>	<u>1,301,089.70</u>
	<u>\$ 591,047.15</u>	<u>\$ 1,174,131.94</u>	<u>\$ 1,765,179.09</u>
Decreased by:			
Utilization as Anticipated Revenue	<u>\$ 401,966.00</u>	<u>\$ 32,648.00</u>	<u>\$ 434,614.00</u>
Fund Balance, December 31	<u>\$ 189,081.15</u>	<u>\$ 1,141,483.94</u>	<u>\$ 1,330,565.09</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 15. DEFERRED COMPENSATION PLAN

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" modified several provisions of Section 457 of the Internal Revenue Code. The most significant change in the law related to the ownership of the fund. The Deferred Compensation Plan is administered by the Public Employees Benefits Service Company (PEBSCO).

Note 16. SERVICE AGREEMENT AND REQUIRED RESERVE

In accordance with the service agreement with the Township of Neptune Sewerage Authority (the "TNSA"), which the Borough assumed in its creation by the Township of Neptune, the Borough remits an additional 2% of its annual obligation to the TNSA. This additional 2% is a reserve held and invested by the TNSA on behalf of the Borough. The 2% reserve payments will be made to the TNSA until the required minimum balance is equal to the next two quarterly payments due to the TNSA.

The total sewer rent reserve increased by interest earned of \$3,363.37 less excess reserved refunded of \$5,173.43 resulting in a total reserve balance at December 31, 2017 to \$380,326.35 which is in the 2017 requirement.

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

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 17. CONTINGENT LIABILITIES

A. Accrued Sick Pay

The Borough of Bradley Beach has policies for employees depending on the department and level that they work for are to be compensated for vested rights in unused sick time at retirement. In some cases the sick pay buyout is subject to a maximum amount, depending on the collective bargaining agreement or Borough ordinance. In other cases depending on date of hire the buyout is unlimited. The Liability to employees at December 31, 2017 for retirement purposes is \$1,299,535.14.

The gross potential accrued sick pay liability as of December 31, 2017 for all Borough employees, based on data on file in the Finance Office, is \$1,653,539.05. This amount is not an immediate liability and the likelihood of this amount becoming due and payable at any time in the near future is remote. However, the potential exists that the Borough may have, in the event that an employee is out of work on an extended illness and because of the nature of their position, to temporarily replace the employee, which could result ultimately in additional cost to the Borough. The various funds contain reserves as follows:

<u>Fund</u>	<u>Reserve Balance</u> <u>December 31, 2017</u>
Current	\$ 65,722.04
Beach	10,000.00
Sewer	20,000.00
	<hr/>
	\$ 95,722.04
	<hr/>

In addition a budget appropriation in 2018 of \$100,000.00 in the Current Fund, \$25,000.00 in Sewer Fund and \$10,000.00 in the Beach Fund have been made to supplement the reserve.

B. New Jersey State Health Benefits

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

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**

Note 16. CONTINGENT LIABILITIES (CONTINUED)

C. Litigation

There are no matters of litigation that would, in the result of an adverse outcome, have a material impact on the financial condition of the Borough.

D. Grants

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

E. Reserve for State Tax Appeals

The Borough has a Reserve for State Tax Appeals at December 31, 2017 of \$23,467.50, which represents an estimate for several tax appeals that are pending for 2017. In the event the appeals are awarded in excess of that amount, then a charge to Fund Balance/(Operations) will be needed.

**COMBINING AND INDIVIDUAL FUND AND**  
**ACCOUNT STATEMENTS**

**CURRENT FUND**



**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2017 AND 2016**

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 4,986,521.05	\$ 3,680,279.93
Due from State - Veterans and Senior Citizens	10,300.00	10,800.00
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	193,569.16	149,682.14
Tax Title Liens Receivable	1,928.47	1,754.55
Revenue Accounts Receivable	13,503.80	21,915.87
Interfunds Receivable:		
Due from Animal Control Trust Fund		37.77
Deferred Charges - Special Emergency	<u>80,000.00</u>	<u>214,583.50</u>
Total Current Fund	\$ <u>5,285,822.48</u>	\$ <u>4,079,053.76</u>
Grant Fund:		
Grants Receivable	\$ 38,900.40	\$ 32,310.22
Interfund Receivable - Due from Current Fund	<u>104,552.31</u>	<u>75,234.81</u>
Total Grant Fund	\$ <u>143,452.71</u>	\$ <u>107,545.03</u>
Total Assets	\$ <u><u>5,429,275.19</u></u>	\$ <u><u>4,186,598.79</u></u>

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2017 AND 2016**

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
<b><u>LIABILITIES, RESERVES AND</u></b>		
<b><u>FUND BALANCE</u></b>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 417,964.12	\$ 463,451.27
Prepaid Taxes	1,221,786.64	133,074.85
Special Emergency Note	80,000.00	214,584.00
Tax Overpayments	8,836.28	17,018.14
Due County for Added and Omitted Taxes	6,098.82	6,148.44
Reserve for Encumbrances	249,039.12	279,894.06
Due to State of New Jersey:		
DCA/Marriage License Fee	2,302.00	2,274.00
Various Reserves	162,372.68	229,073.44
Local District School Tax Payable	641,892.00	563,964.00
Interfunds Payable:		
Due to Beach Utility Capital Fund	50,375.40	17,508.17
Due to Grant Fund	104,552.31	75,234.81
Due to Payroll Fund	<u>1,756.29</u>	<u>                    </u>
	\$ 2,946,975.66	\$ 2,002,225.18
Reserve for Receivables and Other Assets	209,001.43	173,390.33
Fund Balance	<u>2,129,845.39</u>	<u>1,903,438.25</u>
Total Current Fund	\$ <u>5,285,822.48</u>	\$ <u>4,079,053.76</u>
Grant Fund:		
Reserve for Grants:		
Appropriated	\$ 138,080.23	\$ 97,800.22
Unappropriated	3,152.91	3,628.62
Due to Payroll Fund	116.19	116.19
Reserve for Encumbrances	<u>2,103.38</u>	<u>6,000.00</u>
Total Grant Fund	\$ <u>143,452.71</u>	\$ <u>107,545.03</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>5,429,275.19</u></u>	\$ <u><u>4,186,598.79</u></u>

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 785,000.00	\$ 785,567.92
Miscellaneous Revenues Anticipated	1,064,248.97	1,206,558.72
State Aid	355,290.00	355,290.00
Grants	44,808.71	54,578.87
Receipts from Delinquent Taxes	151,774.00	168,781.10
Amount to be Raised by Taxation for Support of Municipal Budget	7,250,782.35	7,153,782.76
Nonbudget Revenues	149,443.71	53,645.02
Other Credits to Income:		
Unexpended Balance of Approp. Res. and Encumbrances	530,759.50	470,303.45
Current Appropriations Canceled	68,949.14	11,383.81
Prior Year Interfund Liquidation	37.77	15,173.04
Cancellation of Grant		
Appropriation Reserves	174.18	
Taxes Allocated to School and County Taxes	<u>9,318,906.09</u>	<u>9,105,378.85</u>
Total Income	<u>\$ 19,720,174.42</u>	<u>\$ 19,380,443.54</u>
Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 639,004.00	\$ 772,248.14
Land Use	29,838.00	29,474.18
Code Enforcement	109,840.00	94,191.06
Insurance	1,270,867.00	1,231,159.00
Public Safety	2,630,188.00	2,430,916.58
Public Works	1,094,563.00	1,044,680.48
Health and Human Services	23,710.00	23,010.00
Park and Recreation	184,884.00	184,811.00
Utility Expenses and Bulk Purchases	262,550.00	261,125.00
Deferred Charges and Statutory Expenditures	808,383.00	771,179.99
Uniform Construction Code	99,135.00	95,534.00
Excluded from "CAPS":		
General Government	35,000.00	37,537.50
Insurance		16,719.00
Library	394,588.32	377,733.26
Grants	54,808.71	70,578.87
Capital Improvements	346,753.00	220,000.00
Municipal Debt Service	556,894.28	1,217,086.85
Deferred Charges	134,583.50	134,583.50
Reserve for Uncollected Taxes	486,663.32	359,378.09

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Expenditures (Continued):		
County Taxes	\$ 3,278,913.27	\$ 3,211,459.41
Due to County for Added and Omitted Taxes:		
2016	331.61	6,148.44
2017	5,767.21	
Local District School Taxes	6,033,894.00	5,887,771.00
Miscellaneous Expenditures	223,477.66	
Prior Year Senior Citizens' Deductions Disallowed	1,000.00	
Refund of Prior Years Revenue	<u>3,130.40</u>	
Total Expenditures	\$ <u>18,708,767.28</u>	\$ <u>18,477,325.35</u>
Excess in Revenue Over Expenditures	\$ 1,011,407.14	\$ 903,118.19
Statutory Excess to Fund Balance	\$ 1,011,407.14	\$ 903,118.19
Fund Balance, January 1	<u>1,903,438.25</u>	<u>1,785,887.98</u>
	\$ 2,914,845.39	\$ 2,689,006.17
Decreased by:		
Utilized as Anticipated Revenue	<u>785,000.00</u>	<u>785,567.92</u>
Fund Balance, December 31	\$ <u><u>2,129,845.39</u></u>	\$ <u><u>1,903,438.25</u></u>

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2017**

	Budget As Modified	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 785,000.00	\$ 785,000.00	
Miscellaneous:			
Local Revenues:			
Licenses:			
Alcoholic Beverages	\$ 20,000.00	\$ 20,000.00	
Other	6,500.00	7,049.00	\$ 549.00
Fees and Permits:	85,000.00	123,342.37	38,342.37
Fines and Costs:			
Municipal Court	275,000.00	308,384.64	33,384.64
Interest and Costs on Taxes	40,000.00	37,501.18	(2,498.82)
Parking Meters	87,000.00	84,798.52	(2,201.48)
Concession Rents	75,859.00	81,077.00	5,218.00
Cable T.V. Franchise Fees	54,384.00	54,384.00	
	\$ 643,743.00	\$ 716,536.71	\$ 72,793.71
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	\$ 355,290.00	\$ 355,290.00	
Dedicated Uniform Construction Code Fees			
Offset with Appropriations:			
Uniform Construction Code Fees	\$ 136,000.00	\$ 173,689.00	\$ 37,689.00
Special Items of Revenue with Prior Consent of Director			
Interlocal Agreements Offset with Appropriations:			
Municipal Court Services - Borough of Avon	\$ 35,000.00	\$ 35,000.00	
Special Items of Anticipated Revenue with Prior Consent of Director - Add. Revenues Offset with Appropriations:			
Code Enforcement Permits	\$ 33,000.00	\$ 49,823.00	\$ 16,823.00

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2017**

	Budget As <u>Modified</u>	Realized	Excess or (Deficit)
Special Items of Revenue Offset with Appropriations:			
Drunk Driving Enforcement Fund	\$ 3,386.89	\$ 3,386.89	
Clean Communities Program	12,571.71	12,571.71	
Alcohol Education and Rehabilitation Fund	241.73	241.73	
Municipal Alliance on Alcoholism and Drug Abuse Funding	20,000.00	20,000.00	
Green Acres Lot Parking Meter Fees	7,212.82	7,212.82	
Bullet Proof Vest	<u>1,395.56</u>	<u>1,395.56</u>	
	<u>\$ 44,808.71</u>	<u>\$ 44,808.71</u>	
Special Items of Revenue with Prior Consent of the Director:			
Uniform Fire Safety Act	\$ 3,900.00	\$ 2,704.00	\$ (1,196.00)
Cell Tower Rental Fees	51,000.00	52,095.35	1,095.35
Library Payment of Services	2,275.00	2,275.00	
Verizon Franchise Fees	<u>32,125.91</u>	<u>32,125.91</u>	
	<u>\$ 89,300.91</u>	<u>\$ 89,200.26</u>	<u>\$ (100.65)</u>
Subtotal Miscellaneous Revenue Anticipated	<u>\$ 1,337,142.62</u>	<u>\$ 1,464,347.68</u>	<u>\$ 127,205.06</u>
Receipts from Delinquent Taxes	<u>\$ 100,000.00</u>	<u>\$ 151,774.00</u>	<u>\$ 51,774.00</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ 6,545,522.19	\$ 6,856,194.03	\$ 310,671.84
Minimum Library Levy	<u>394,588.32</u>	<u>394,588.32</u>	
	<u>\$ 6,940,110.51</u>	<u>7,250,782.35</u>	<u>310,671.84</u>
Budget Totals	\$ 9,162,253.13	\$ 9,651,904.03	\$ 489,650.90
Nonbudget Revenue		<u>149,443.71</u>	<u>149,443.71</u>
	<u>\$ 9,162,253.13</u>	<u>\$ 9,801,347.74</u>	<u>\$ 639,094.61</u>
Detail:			
Adopted Budget	\$ 9,148,285.86		
Added by N.J.S.A. 40A:4-87	<u>13,967.27</u>		
	<u>\$ 9,162,253.13</u>		

BOROUGH OF BRADLEY BEACH  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>GENERAL GOVERNMENT FUNCTIONS</u>						
General Administration:						
Salaries and Wages	\$ 123,300.00	\$ 101,800.00	\$ 101,223.73		\$ 576.27	
Other Expenses	5,200.00	4,800.00	3,656.36	250.80	892.84	
Human Resources:						
Other Expenses	16,500.00	16,500.00	15,000.00	429.00	1,071.00	
Mayor and Council:						
Salaries and Wages	14,400.00	14,400.00	14,400.00			
Other Expenses	9,800.00	10,200.00	10,023.67	46.82	129.51	
Municipal Clerk:						
Salaries and Wages	129,623.00	129,623.00	126,677.05		2,945.95	
Other Expenses	51,325.00	51,325.00	33,231.15	5,161.94	12,931.91	
Financial Administration:						
Salaries and Wages	75,276.00	75,276.00	66,692.86		8,583.14	
Other Expenses	32,795.00	32,795.00	27,701.53	642.42	4,451.05	
Audit Services:						
Other Expenses	16,725.00	16,725.00	1,600.00		15,125.00	
Revenue Administration:						
Salaries and Wages	26,447.00	26,447.00	25,413.72		1,033.28	
Other Expenses	20,605.00	20,605.00	11,530.61	855.00	8,219.39	
Tax Assessment Administration:						
Salaries and Wages	26,208.00	26,208.00	26,186.35		21.65	
Other Expenses	14,100.00	14,100.00	966.52	11.51	13,121.97	
Legal Services:						
Salaries and Wages	58,500.00	58,500.00	58,500.00			
Other Expenses	11,000.00	11,000.00	10,518.75		481.25	
Engineering Services and Costs:						
Other Expenses	20,000.00	20,000.00	19,527.50		472.50	
Architect Services and Costs:						
Other Expenses	5,000.00	5,000.00	1,524.17		3,475.83	
<u>LAND USE ADMINISTRATION</u>						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages	5,406.00	5,406.00	5,259.68		146.32	
Other Expenses	9,888.00	9,888.00	6,331.33	280.64	3,276.03	
Zoning Board of Adjustment:						
Salaries and Wages	5,406.00	5,406.00	5,259.67		146.33	
Other Expenses	9,138.00	9,138.00	5,860.16	66.33	3,211.51	
<u>CODE ENFORCEMENT AND ADMINISTRATION</u>						
Other Code Enforcement Functions (Code						
Enforcement Officer):						
Salaries and Wages	97,470.00	95,910.00	85,486.45		10,423.55	
Other Expenses	13,930.00	13,930.00	9,241.93	1,967.05	2,721.02	

BOROUGH OF BRADLEY BEACH  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>INSURANCE</u>						
Surety Bond Premium	\$ 906.00	\$ 906.00	\$ 906.00			
Liability Insurance	64,527.00	64,527.00	64,527.00			
Worker Compensation Insurance	174,775.00	174,775.00	169,968.36		4,806.64	
Employee Group Insurance	1,020,659.00	1,020,659.00	884,607.95	\$ 70,873.07	65,177.98	
Unemployment Insurance	10,000.00	10,000.00	10,000.00			
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police:						
Salaries and Wages	1,962,892.00	2,008,392.00	2,002,018.73		6,373.27	
Other Expenses	121,379.00	121,379.00	101,793.59	14,196.14	5,389.27	
Police Dispatch/911:						
Salaries and Wages	148,132.00	109,132.00	108,805.45		326.55	
Other Expenses	3,600.00	3,600.00	143.88	2,043.93	1,412.19	
Office of Emergency Management:						
Salaries and Wages	8,000.00	8,000.00	6,400.00		1,600.00	
Other Expenses	5,000.00	5,000.00	1,006.15		3,993.85	
Aid to Volunteer Ambulance Company	30,000.00	30,000.00	30,000.00			
Fire:						
Salaries and Wages	3,700.00	3,700.00		204.00	3,496.00	
Other Expenses	114,680.00	114,680.00	56,438.34	32,910.02	25,331.64	
Fire Hydrants:						
Other Expenses	37,500.00	37,500.00	28,864.00	5,772.80	2,863.20	
Fire Prevention Bureau:						
Salaries and Wages	35,610.00	35,610.00	35,597.21		12.79	
Other Expenses	3,175.00	3,175.00	1,922.95	500.00	752.05	
Municipal Prosecutor:						
Salaries and Wages	17,340.00	17,340.00	17,340.00			
Municipal Court:						
Salaries and Wages	109,480.00	109,480.00	109,480.00			
Other Expenses	9,600.00	9,600.00	8,032.39	1,071.00	496.61	
Public Defender:						
Salaries and Wages	13,600.00	13,600.00			13,600.00	
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repair and Maintenance:						
Salaries and Wages	544,584.00	544,584.00	531,495.78		13,088.22	
Other Expenses	114,950.00	114,950.00	89,376.21	16,948.40	8,625.39	
Solid Waste Collection:						
Garbage and Trash Removal:						
Other Expenses	219,925.00	219,925.00	175,716.13	38,798.76	5,410.11	
Recycling (P.L. 1987 Ch. 74):						
Salaries and Wages	6,840.00	6,840.00	6,795.00		45.00	
Other Expenses						



**BOROUGH OF BRADLEY BEACH**

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<b>PUBLIC WORKS FUNCTIONS (CONTINUED)</b>						
Buildings and Grounds:						
Salaries and Wages	\$ 21,514.00	\$ 21,514.00	\$ 20,746.83	\$	767.17	
Other Expenses	71,500.00	71,500.00	63,723.00	6,427.17	1,349.83	
Vehicle Maintenance:						
Other Expenses	86,500.00	101,500.00	96,707.33	4,383.24	409.43	
Community Services Act:						
Other Expenses	12,000.00	12,000.00	4,750.00		7,250.00	
Safety Regulators Coordinator	500.00	500.00	499.92		0.08	
Hepatitis "B" Immunization	1,250.00	1,250.00			1,250.00	
<b>HEALTH AND HUMAN SERVICES FUNCTIONS</b>						
Environmental Commission:						
Other Expenses	2,500.00	2,500.00	335.00	1,900.00	265.00	
Animal Control Services:						
Other Expenses	12,710.00	12,710.00	10,590.00	2,120.00		
Contribution to Social Services Agencies:						
Other Expenses	8,500.00	8,500.00	5,735.00	2,765.00		
<b>PARK AND RECREATION FUNCTIONS</b>						
Recreation:						
Salaries and Wages	64,184.00	76,484.00	73,859.12		2,624.88	
Other Expenses	44,650.00	32,350.00	27,018.02	1,806.25	3,525.73	
Celebration of Public Events:						
Salaries and Wages	250.00	250.00			250.00	
Other Expenses	13,300.00	13,300.00	9,083.46	835.09	3,381.45	
Maintenance of Parks:						
Salaries and Wages	5,000.00	5,000.00	5,000.00			
Other Expenses	43,800.00	43,800.00	30,528.88	3,422.18	9,848.94	
Senior Citizens Contribution:						
Other Expenses	1,200.00	1,200.00	1,200.00			
Arts at the Beach:						
Other Expenses	6,500.00	6,500.00	6,500.00			
Historical Museum Contribution:						
Other Expenses	1,000.00	1,000.00	600.05		399.95	
Tourism:						
Salaries and Wages	5,000.00	5,000.00	1,933.34		3,066.66	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	50,000.00	50,000.00	47,062.11		2,937.89	
Street Lighting	80,000.00	80,000.00	67,531.45	9,831.65	2,636.90	
Telephone	25,000.00	25,000.00	20,876.14	3,658.47	465.39	
Heat - Gas	32,000.00	32,000.00	19,315.01	2,696.46	9,988.53	
Gasoline	35,000.00	35,000.00	34,878.42	121.58		
Telecommunication Costs	21,550.00	21,550.00	18,058.75		3,491.25	
Water	19,000.00	19,000.00	14,334.28	1,290.71	3,375.01	

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2017**

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</b>						
<b>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>						
Construction Code Department:						
Salaries and Wages	\$ 89,700.00	\$ 91,260.00	\$ 90,288.38		\$ 971.62	
Other Expenses	7,875.00	7,875.00	4,220.33	\$ 2,741.61	913.06	
Total Operations within "CAPS"	\$ 6,340,879.00	\$ 6,340,879.00	\$ 5,788,423.13	\$ 237,029.04	\$ 315,426.83	
<b>CONTINGENT</b>	3,700.00	3,700.00			3,700.00	
Total Operations Including Contingent - within "CAPS"	\$ 6,344,579.00	\$ 6,344,579.00	\$ 5,788,423.13	\$ 237,029.04	\$ 319,126.83	
Detail:						
Salaries and Wages	\$ 3,597,862.00	\$ 3,595,162.00	\$ 3,526,626.01	\$ 204.00	\$ 70,098.65	
Other Expenses (Including Contingent)	2,746,717.00	2,749,417.00	2,261,797.12	236,825.04	249,028.18	
<b>DEFERRED CHARGES AND REGULATORY EXPENDITURES -</b>						
<b>MUNICIPAL WITHIN "CAPS"</b>						
REGULATORY Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 138,984.00	\$ 138,984.00	\$ 138,983.92		\$ 0.08	
Social Security System (O.A.S.I.)	146,100.00	146,100.00	136,266.45		9,833.55	
Consolidated Police and Firemen's Pension Fund	11,026.00	11,026.00	11,025.84		0.16	
Police and Firemen's Retirement System of N.J.	512,073.00	512,073.00	512,073.00			
Administrative Fees (PFRS)	200.00	200.00	170.77		29.23	
Total Deferred Charges and REGULATORY Expenditures -						
Municipal within "CAPS"	\$ 808,383.00	\$ 808,383.00	\$ 798,519.98		\$ 9,863.02	
Total General Appropriations for Municipal Purposes within "CAPS"	\$ 7,152,962.00	\$ 7,152,962.00	\$ 6,586,943.11	\$ 237,029.04	\$ 328,989.85	
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
Other Operations - Excluded from "CAPS":						
Maintenance of Free Public Library	\$ 394,588.32	\$ 394,588.32	\$ 389,105.34		\$ 5,482.98	
Total Other Operations - Excluded from "CAPS"	\$ 394,588.32	\$ 394,588.32	\$ 389,105.34		\$ 5,482.98	

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2017**

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
Interlocal Municipal Service Agreements:						
Municipal Court Services - Borough of Avon	\$ 35,000.00	\$ 35,000.00	\$ 26,352.20		\$ 8,647.80	
Total Interlocal Municipal Service Agreements	\$ 35,000.00	\$ 35,000.00	\$ 26,352.20		\$ 8,647.80	
Public and Private Programs Offset by Revenues:						
Alliance to Prevent Alcoholism and Drug Abuse						
Grant	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			
Match	5,000.00	5,000.00	5,000.00			
Bullet Proof Vest	1,395.56	1,395.56	1,395.56			
Clean Communities Grant	12,571.71	12,571.71	12,571.71			
Municipal Court Alcohol Education	241.73	241.73	241.73			
Drunk Driving Enforcement Grant	3,386.89	3,386.89	3,386.89			
Matching Funds for Grant Programs	5,000.00	5,000.00			\$ 5,000.00	
Green Acres Lot, Parking Meters, Parks and Playgrounds	7,212.82	7,212.82	7,212.82			
Total Public and Private Programs Offset by Revenues	\$ 54,808.71	\$ 54,808.71	\$ 49,808.71		\$ 5,000.00	
Total Operations - Excluded from "CAPS"	\$ 484,397.03	\$ 484,397.03	\$ 465,266.25		\$ 19,130.78	
Detail:						
Salaries and Wages						
Other Expenses	\$ 484,397.03	\$ 484,397.03	\$ 465,266.25		\$ 19,130.78	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 136,803.00	\$ 136,803.00	\$ 68,401.50		\$ 68,401.50	
Improvement to Sylvan Lake	48,000.00	48,000.00			48,000.00	
Acquisition of DPW Generator	13,000.00	13,000.00			13,000.00	
Paving North End DPW Lot	50,000.00	50,000.00	50,000.00			
Cushman and Gator Equipment	23,950.00	23,950.00	23,111.54		838.46	
Acquisition of New Kabota	20,000.00	20,000.00	20,000.00			
Office Furniture - Borough Hall	10,000.00	10,000.00	2,949.38		7,050.62	
Acquisition of Garbage Truck	25,000.00	25,000.00	16,500.00	8,500.00		
Beachfront Foundation Repairs	20,000.00	20,000.00	15,535.51	3,510.08	954.41	
Total Capital Improvements Excluded from "CAPS"	\$ 346,753.00	\$ 346,753.00	\$ 196,497.93	12,010.08	69,843.49	68,401.50

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2017**

**MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"**

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
Payment of Bond Principal	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00			
Payment of Bond Anticipation Notes and Capital Notes	144,500.00	144,500.00	144,500.00			
Interest on Bonds	150,050.00	150,050.00	150,049.80			\$ 0.20
Interest on Notes	14,470.00	14,470.00	14,470.00			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	24,364.48	24,364.48	24,364.48			
Interest on Special Emergency Notes	2,682.30	2,682.30	2,682.30			
Capital Lease Obligations						
Principal	119,000.00	119,000.00	119,000.00			
Interest	26,827.50	26,827.50	26,280.06			547.44
<b>Total Municipal Debt Service - Excluded from "CAPS"</b>	<b>\$ 556,894.28</b>	<b>\$ 556,894.28</b>	<b>\$ 556,346.64</b>			<b>\$ 547.64</b>

**DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"**

Special Emergency Authorizations - Hurricane Sandy						
5 Years (N.J.S. 40A:4-53)	\$ 94,583.50	\$ 94,583.50	94,583.50			
Special Emergency Authorizations - Revaluation						
5 Years (N.J.S. 40A:4-53)	40,000.00	40,000.00	40,000.00			
<b>Total Deferred Charges - Municipal - Excluded from "CAPS"</b>	<b>\$ 134,583.50</b>	<b>\$ 134,583.50</b>	<b>\$ 134,583.50</b>			

**Total General Appropriations for Municipal**

Purposes Excluded from "CAPS"	\$ 1,522,627.81	\$ 1,522,627.81	\$ 1,352,694.32	\$ 12,010.08	\$ 88,974.27	\$ 68,949.14
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**Total General Appropriations - Excluded from "CAPS"**

	\$ 1,522,627.81	\$ 1,522,627.81	\$ 1,352,694.32	\$ 12,010.08	\$ 88,974.27	\$ 68,949.14
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**Subtotal General Appropriations**

	\$ 8,675,589.81	\$ 8,675,589.81	\$ 7,939,637.43	\$ 249,039.12	\$ 417,964.12	\$ 68,949.14
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**RESERVE FOR UNCOLLECTED TAXES**

	486,663.32	486,663.32	486,663.32			
<b>Total General Appropriations</b>	<b>\$ 9,162,253.13</b>	<b>\$ 9,162,253.13</b>	<b>\$ 8,426,300.75</b>	<b>\$ 249,039.12</b>	<b>\$ 417,964.12</b>	<b>\$ 68,949.14</b>

**Detail:**

Adopted Budget  
Added by N.J.S.A. 40A:4-87

\$ 9,148,285.86  
13,967.27  
\$ 9,162,253.13

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Year	Balance December 31, 2016	Tax Levy	Added Taxes	Collections 2016	Collections 2017	State Share Senior Citizens and Veterans Deductions Allowed	Tax Over- payments Applied	Transferred to Tax Title Liens Receivable	Adjusted, Remitted, or Canceled	Balance December 31, 2017
2015	\$ 843.80				\$ 843.80					
2016	148,838.34		\$ 2,655.69		150,930.20				\$ 563.83	
2017		\$ 16,252,917.78	32,385.21	\$ 129,418.47	15,908,506.90	\$ 27,750.00	\$ 17,018.14	\$ 173.92	8,866.40	\$ 193,569.16
	\$ 149,682.14	\$ 16,252,917.78	\$ 35,040.90	\$ 129,418.47	\$ 16,060,280.90	\$ 27,750.00	\$ 17,018.14	\$ 173.92	\$ 9,430.23	\$ 193,569.16

Analysis of Amount to be Raised by Taxation - Municipal Purposes (B-1):

Collections in 2017 for 2017	\$ 15,908,506.90
Collections in 2016 for 2017	129,418.47
Senior Citizens and Veterans Deductions	27,750.00
Tax Overpayments Applied	17,018.14
	\$ 16,082,693.51
Less: Taxes Allocated to School and County Taxes	9,318,906.09
Add: Reserve for Uncollected Taxes	486,663.32
Add: Added and Omitted - Due to County Portion	331.61
	\$ 7,250,782.35

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

ANALYSIS OF 2017 PROPERTY TAX LEVY

Tax Yield:		
General Purpose Tax		\$ 16,252,917.78
Added Taxes (54:4-63.1 et. seq.)		28,613.48
Other		<u>3,771.73</u>
		<u>\$ 16,285,302.99</u>

TAX LEVY

Local School District Tax:		
Levy School Year July 1, 2017 to June 30, 2018		\$ 6,033,894.00
County Taxes:		
County Tax	\$ 3,039,066.53	
County Open Space Tax	178,531.18	
County Health Tax	61,315.56	
Due County for Added Taxes	<u>5,767.21</u>	<u>3,284,680.48</u>
Total County Taxes		\$ 9,318,574.48
Local Tax for Municipal Purposes	\$ 6,545,522.19	
Local Tax for Municipal Library Purposes	394,588.32	
Additional Tax Levied	<u>26,618.00</u>	
Total Local Tax for Municipal Purposes Levied		<u>6,966,728.51</u>
Total Tax Levy		<u>\$ 16,285,302.99</u>

2016 ADDED TAXES

Senior Citizen's and Veteran's Disallowed	\$ 1,000.00
Added and Omitted Taxes	<u>1,655.69</u>
	<u>\$ 2,655.69</u>

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF TAX TITLE LIENS RECEIVABLE**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

<u>BALANCE, DECEMBER 31, 2016</u>	\$ 1,754.55
<u>INCREASED BY</u>	
Transferred from Taxes Receivable	<u>173.92</u>
<u>BALANCE, DECEMBER 31, 2017</u>	<u>\$ 1,928.47</u>

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

<u>Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance December 31, 2016</u>	<u>Decreased in 2017</u>	<u>Balance December 31, 2017</u>
11/8/2012	Special Emergency Authorization (N.J.S.A. 40A:4-53) - Hurricane Sandy	\$ 1,250,000.00	\$ 250,000.00	\$ 94,583.50	\$ 94,583.50	
11/12/2014	Special Emergency Authorization (N.J.S.A. 40A:4-53) - Revaluation	200,000.00	40,000.00	<u>120,000.00</u>	<u>40,000.00</u>	<u>\$ 80,000.00</u>
				<u>\$ 214,583.50</u>	<u>\$ 134,583.50</u>	<u>\$ 80,000.00</u>



**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF 2016 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>Balance</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>December 31, 2016</u>		<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
	<u>Reserve</u>	<u>Encumbrance</u>	<u>Transfers</u>		
<b><u>GENERAL GOVERNMENT FUNCTIONS</u></b>					
General Administration:					
Other Expenses	\$ 5.00	\$ 130.67	\$ 135.67	\$	135.67
Human Resources:					
Other Expenses	11,220.00		11,220.00	\$ 5,247.00	5,973.00
Mayor and Council:					
Other Expenses	2,694.00		2,694.00		2,694.00
Municipal Clerk:					
Salaries and Wages	882.42		882.42		882.42
Other Expenses	2,962.09	4,691.40	7,653.49	51.87	7,601.62
Financial Administration:					
Salaries and Wages	9,293.71		9,293.71		9,293.71
Other Expenses	3,482.96	2,438.99	5,921.95	761.26	5,160.69
Audit Services:					
Other Expenses		14,750.00	14,750.00	14,750.00	
Revenue Administration:					
Salaries and Wages	3,613.16		3,613.16		3,613.16
Other Expenses	7,763.39	3,076.00	10,839.39	576.00	10,263.39
Tax Assessment Administration:					
Other Expenses	909.31	31.26	940.57	819.36	121.21
Legal Services:					
Other Expenses	1,416.61	1,917.75	3,334.36	517.75	2,816.61
Engineering Services and Costs:					
Other Expenses	3,134.00	2,580.00	5,714.00	1,325.00	4,389.00
Architect Services and Costs:					
Other Expenses	3,509.00		3,509.00		3,509.00
<b><u>LAND USE ADMINISTRATION</u></b>					
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Other Expenses	2,654.54		2,654.54		2,654.54
Zoning Board of Adjustment:					
Other Expenses	1,220.50	343.95	1,564.45	343.95	1,220.50

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF 2016 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Reserve</u>	<u>Reserve for Encumbrance</u>			
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
Other Code Enforcement Functions (Code Enforcement Officer):					
Salaries and Wages	\$ 739.76	\$ 4,938.89	\$ 739.76	\$ 4,114.32	\$ 739.76
Other Expenses	647.96		5,586.85		1,472.53
<b>INSURANCE</b>					
Worker Compensation Insurance	1,049.30		1,049.30		1,049.30
Employee Group Insurance	65,913.86	105,882.93	171,391.79	58,860.71	112,531.08
<b>PUBLIC SAFETY FUNCTIONS</b>					
Police:					
Salaries and Wages	70,121.06		67,971.06		67,971.06
Other Expenses	590.43	15,388.33	18,128.76	17,316.38	812.38
Police Dispatch/911:					
Salaries and Wages	40,016.00		40,016.00		40,016.00
Other Expenses	518.05	324.34	842.39	181.94	660.45
Fire:					
Salaries and Wages	2,245.88		2,245.88		2,245.88
Other Expenses	19,763.81	26,628.01	46,391.82	21,477.34	24,914.48
Fire Hydrants:					
Other Expenses	2,863.20	2,886.40	5,749.60	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	1,461.80		1,461.80		1,461.80
Other Expenses	<u>755.76</u>	306.74	1,062.50	306.74	755.76
Municipal Court:					
Salaries and Wages	1,351.03		1,351.03	361.50	989.53
Other Expenses	214.00	8,112.58	8,326.58	7,253.66	1,072.92

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF 2016 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>Balance</u> <u>December 31, 2016</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Reserve</u>	<u>Reserve for</u> <u>Encumbrance</u>			
<b><u>PUBLIC WORKS FUNCTIONS</u></b>					
Road Repair and Maintenance:					
Salaries and Wages	\$ 2,927.14	\$	2,027.14	\$	2,027.14
Other Expenses	14,618.71	15,533.58	30,152.29	16,247.75	13,904.54
Solid Waste Collection:					
Garbage and Trash Removal:					
Salary and Wages	85.50		85.50		85.50
Other Expenses	17,657.12	12,000.84	29,657.96	7,412.73	22,245.23
Buildings and Grounds:					
Salaries and Wages	0.06		0.06		0.06
Other Expenses	829.86	10,533.52	11,363.38	3,754.00	7,609.38
Vehicle Maintenance:					
Other Expenses	8.83	6,578.49	7,487.32	3,731.50	3,755.82
Community Services Act:					
Other Expenses	5,250.00		5,250.00		5,250.00
Safety Regulators Coordinator	10.08		10.08		10.08
Hepatitis "B" Immunization	495.00		495.00		495.00
<b><u>HEALTH AND HUMAN SERVICES FUNCTIONS</u></b>					
Environmental Commission:					
Other Expenses	1,501.52		1,501.52		1,501.52
Animal Control Services:					
Other Expenses		1,061.00	1,061.00	1,059.00	2.00
Contribution to Social Services Agencies:					
Other Expenses		1,455.00	1,860.00	1,860.00	
<b><u>PARK AND RECREATION FUNCTIONS</u></b>					
Recreation:					
Salaries and Wages	658.00		658.00		658.00
Other Expenses	16,865.69	2,747.99	19,613.68	1,997.99	17,615.69
Arts at the Beach	848.62		848.62		848.62
Celebration of Public Events:					
Salaries and Wages	250.00		250.00	129.00	121.00
Other Expenses	1,012.00	129.00	1,141.00		1,141.00
Maintenance of Parks:					
Salaries and Wages	3,360.00		3,360.00		3,360.00
Other Expenses	19,438.45	1,158.48	20,596.93	758.48	19,838.45

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF 2016 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>Balance</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>December 31, 2016</u>		<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
	<u>Reserve</u>	<u>Encumbrance</u>	<u>Transfers</u>		
<b><u>UTILITY EXPENSES AND BULK PURCHASES</u></b>					
Electricity	\$	\$	\$	4,839.68	\$ 18.42
Street Lighting	9,261.53	4,258.10	4,858.10	5,816.09	8,661.53
Telephone	4,091.07	5,816.09	14,477.62	93.66	5,159.41
Heat - Gas	12,969.90	1,162.00	5,253.07		12,969.90
Gasoline	12,095.78	1,058.90	12,969.90	1,058.90	12,095.78
Telecommunication Costs	79.11	1,993.64	13,154.68		2,072.75
Water	8,666.62	428.52	9,095.14	428.52	8,666.62
<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	2,623.27		2,623.27		2,623.27
Other Expenses	19.09	1,790.45	1,809.54	1,790.45	19.09
<b><u>CONTINGENT</u></b>	3,700.00		3,700.00		3,700.00
<b><u>DEFERRED CHARGES AND REGULATORY EXPENDITURES -</u></b>					
<b><u>MUNICIPAL WITHIN "CAPS"</u></b>					
<b><u>REGULATORY Expenditures:</u></b>					
Contribution to:					
Public Employees' Retirement System	6,699.18		6,699.18	6,699.18	19,189.81
Social Security System (O.A.S.I.)	19,189.81		19,189.81		
<b><u>OPERATIONS - EXCLUDED FROM "CAPS"</u></b>					
Other Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	\$	2.50	2.50	\$	2.50
<b><u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u></b>					
Sink Hole Repairs	\$ 35,126.74		35,126.74		35,126.74
<b>Total</b>	<b>\$ 463,451.27</b>	<b>\$ 262,136.34</b>	<b>\$ 725,587.61</b>	<b>\$ 194,828.11</b>	<b>\$ 530,759.50</b>

**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

**BALANCE, DECEMBER 31, 2016**

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

**INCREASED BY**

Levy - School Year July 1, 2017 to June 30, 2018		<u>6,033,894.00</u>
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\$ 9,174,042.00

**DECREASED BY**

Cash Disbursed		<u>5,955,966.00</u>
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**BALANCE, DECEMBER 31, 2017**

School Taxes Payable	\$ 641,892.00	
Deferred School Taxes	<u>2,576,184.00</u>	\$ <u>3,218,076.00</u>

**2017 LIABILITY FOR LOCAL DISTRICT SCHOOL TAX**

2017 School Taxes Paid		\$ 5,955,966.00
Less: School Taxes Payable, December 31, 2016		<u>563,964.00</u>

\$ 5,392,002.00

Add: School Taxes Payable, December 31, 2017		<u>641,892.00</u>
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<b><u>AMOUNT CHARGED TO OPERATIONS</u></b>		<b><u>\$ 6,033,894.00</u></b>
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**BOROUGH OF BRADLEY BEACH**  
**CURRENT FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**AS OF DECEMBER 31, 2017 AND 2016**

	December 31,	
	<u>2017</u>	<u>2016</u>
Reserve for:		
State Tax Appeals	\$ 23,467.50	\$ 30,060.99
Reserve for Prior Years Library		39,221.68
Reserve for Green Acres Parking Rec.	1,555.00	1,555.00
Reserve for Revaluation	22,739.00	31,979.00
Reserve for Compensated Absences	65,722.04	77,367.63
Reserve for Snow Removal	13,397.67	13,397.67
Reserve for Special Emergency Sandy	30,115.67	30,115.67
Reserve for Fire Department	1,023.09	1,023.09
Reserve for Deposit on Bids	115.00	115.00
Reserve for Off-Duty Police Services	4,237.71	4,237.71
	<u>\$ 162,372.68</u>	<u>\$ 229,073.44</u>

**BOROUGH OF BRADLEY BEACH**  
**GRANT FUND**  
**STATEMENT OF GRANTS RECEIVABLE**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

<u>Grant</u>	<u>Balance</u> <u>December 31,</u> <u>2016</u>	<u>2017</u> <u>Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Added</u> <u>By</u> <u>N.J.S.A.</u> <u>40A:4-87</u>	<u>Receipt</u>	<u>Canceled</u>	<u>Balance</u> <u>December 31,</u> <u>2017</u>
State:						
Alcohol Education and Rehabilitation Fund		\$ 241.73	\$	241.73		
Clean Communities Grant			\$ 12,571.71	12,571.71		
Drunk Driving Enforcement Fund		3,386.89		3,386.89		
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	13,361.00					\$ 13,361.00
2016	11,200.00					3,420.00
2017						19,119.40
Green Acres Parking Lot Meters		20,000.00		7,780.00		
Bullet Proof Vests		7,212.82		880.60		
Body Worn Camera			1,395.56	7,212.82		
	3,000.00			1,395.56		3,000.00
Total State Grants Receivable	\$ 32,310.22	\$ 30,841.44	\$ 13,967.27	\$ 33,469.31	\$ 4,749.22	\$ 38,900.40
Total Grants Receivable	\$ 32,310.22	\$ 30,841.44	\$ 13,967.27	\$ 33,469.31	\$ 4,749.22	\$ 38,900.40
Detail:						
Cash Receipt				\$ 29,840.69		
Transfer from Unappropriated Reserves				3,628.62		
				\$ 33,469.31		\$ 33,469.31

**BOROUGH OF BRADLEY BEACH**  
**GRANT FUND**  
**STATEMENT OF APPROPRIATED RESERVES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Adjustments to Prior Year Audit	Transferred from 2017 Budget Appropriations	Cash Disbursed	Reserve for Encumbrances/ (Canceled)	Canceled	Balance December 31, 2017
State:							
Drunk Driving Enforcement Fund							
2013	\$ 1,363.53	\$		\$ 467.58	\$ 240.00		\$ 655.95
2015		2,004.54					2,004.54
2016	5,268.23						5,268.23
2017			\$ 3,386.89				3,386.89
Alcohol Education and Rehabilitation Fund							
2013	377.74			377.74			-
2015	118.16			72.26			45.90
2016	530.40						530.40
2017			241.73				241.73
Bullet Proof Vest Program	158.27			158.27			-
Bullet Proof Vest Program - 2017			1,395.56				1,395.56
Fletcher Lake - Phase I	5,745.00						5,745.00
Green Acres Lot Parking Meter Fees							
2009		7,885.00					7,885.00
2010	4,817.16						4,817.16
2011	19.75						19.75
2012	2,234.87						2,234.87
2013	2,639.83						2,639.83
2014	1,055.95						1,055.95
2015	415.86						415.86
2016	9,119.00						9,119.00
2017			7,212.82				7,212.82
Alliance to Prevent Alcoholism and Drug Abuse:							
Grant Portion							
2012	827.70					827.70	-
2013	910.50					910.50	-
2014	3,185.20					3,185.20	-
2015	10,000.00						10,000.00
2016	9,557.34			360.00			9,197.34
2017			20,000.00				20,000.00
Matching Portion							
2012		1,420.69					1,420.69
2013	2,013.83						2,013.83
2014	1,897.16						1,897.16
2015		598.31					598.31
2016		3,055.00		740.80			2,314.20
2017			5,000.00				5,000.00



**BOROUGH OF BRADLEY BEACH**  
**GRANT FUND**  
**STATEMENT OF APPROPRIATED RESERVES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Adjustments to Prior Year Audit	Transferred from 2017 Budget Appropriations	Cash Disbursed	Reserve for Encumbrances/ (Canceled)	Canceled	Balance December 31, 2017
State (continued)							
Clean Communities - 2017			\$ 12,571.71				\$ 12,571.71
NJ Corporation Wetlands Restoration	\$ 452.78						452.78
NJ Corporation Wetlands Restoration - 2013	141.91						141.91
NJ Clam Communities Program	14,797.86						14,797.86
Body Armor Replacement Program							
2015	325.27			\$ 325.27			-
2016	1,863.38				\$ 1,863.38		-
Body Worn Camera	3,000.00						3,000.00
	\$ 82,836.68	\$ 14,963.54	\$ 49,808.71	\$ 2,501.92	\$ 2,103.38	\$ 4,923.40	\$ 138,080.23
	<u>\$ 82,836.68</u>	<u>\$ 14,963.54</u>	<u>\$ 49,808.71</u>	<u>\$ 2,501.92</u>	<u>\$ 2,103.38</u>	<u>\$ 4,923.40</u>	<u>\$ 138,080.23</u>
Detail:							
Adopted Budget			\$ 30,841.44				
Added by N.J.S.A. 40A:4-87			13,967.27				
Matching Portion			5,000.00				
			<u>\$ 49,808.71</u>				
Canceled Grants Receivable (B-10):						\$ 4,749.22	
Canceled Grant Appropriation Reserves (B-1):						<u>174.18</u>	
						<u>\$ 4,923.40</u>	

BOROUGH OF BRADLEY BEACH  
GRANT FUND  
STATEMENT OF UNAPPROPRIATED RESERVES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>Grant</u>	<u>Balance</u> December 31, 2016	<u>Transferred to</u> 2017 Budget - Revenue	<u>Receipt</u>	<u>Balance</u> December 31, 2017
State:				
Drunk Driving Enforcement Fund	\$ 3,386.89	\$ 3,386.89		-
Bullet Proof Vest			\$ 885.00	\$ 885.00
Alcohol Education and Rehabilitation Program	241.73	241.73	321.70	321.70
Body Armor Replacement Program			1,946.21	1,946.21
	<u>\$ 3,628.62</u>	<u>\$ 3,628.62</u>	<u>\$ 3,152.91</u>	<u>\$ 3,152.91</u>

## **TRUST AND AGENCY FUNDS**

BOROUGH OF BRADLEY BEACH

TRUST FUNDS

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -  
REGULATORY BASIS

AS OF DECEMBER 31, 2017 AND 2016

	<u>Payroll</u>		<u>Animal Control</u>		<u>Other</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 14,814.98	\$ 26,904.39	\$ 5,070.41	\$ 4,905.77	\$ 592,219.83	\$ 712,425.14
Interfund Receivable:						
Due from Current Fund	1,756.29					
Due from Grant Fund	116.19	116.19				
Other Receivable					62.50	
Total Assets	<u>\$ 16,687.46</u>	<u>\$ 27,020.58</u>	<u>\$ 5,070.41</u>	<u>\$ 4,905.77</u>	<u>\$ 592,282.33</u>	<u>\$ 712,425.14</u>
<u>LIABILITIES AND RESERVES</u>						
Other Liabilities and Reserves:						
Interfund Payable:						
Due to Current Fund				\$ 37.77		
Reserve for New Jersey Unemployment Compensation					\$ 175,906.60	\$ 151,221.47
Payroll Deductions Payable	\$ 16,687.46	\$ 27,020.58				
Various Reserves			\$ 4,529.76	4,868.00	416,375.73	561,203.67
Reserve for Encumbrances			540.65			
Total Liabilities and Reserves	<u>\$ 16,687.46</u>	<u>\$ 27,020.58</u>	<u>\$ 5,070.41</u>	<u>\$ 4,905.77</u>	<u>\$ 592,282.33</u>	<u>\$ 712,425.14</u>

BOROUGH OF BRADLEY BEACH

TRUST FUNDS

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -  
REGULATORY BASIS

AS OF DECEMBER 31, 2017 AND 2016

	<u>Public Assistance</u>		<u>Tourism</u>		<u>Totals</u> (Memorandum Only)	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 4,889.88	\$ 4,889.40	\$ 5,910.99	\$ 14,701.94	\$ 622,906.09	\$ 763,826.64
Interfund Receivable:						
Due from Current Fund					1,756.29	
Due from Grant Fund					116.19	116.19
Other Receivable					62.50	
Total Assets	<u>\$ 4,889.88</u>	<u>\$ 4,889.40</u>	<u>\$ 5,910.99</u>	<u>\$ 14,701.94</u>	<u>\$ 624,841.07</u>	<u>\$ 763,942.83</u>
<u>LIABILITIES AND RESERVES</u>						
Other Liabilities and Reserves:					\$	37.77
Interfund Payable:						
Due to Current Fund						
Reserve for New Jersey Unemployment Compensation					\$ 175,906.60	151,221.47
Payroll Deductions Payable					16,687.46	27,020.58
Various Reserves	\$ 4,889.88	\$ 4,889.40	\$ 5,910.99	\$ 14,701.94	431,706.36	585,663.01
Reserve for Encumbrances					540.65	
Total Liabilities and Reserves	<u>\$ 4,889.88</u>	<u>\$ 4,889.40</u>	<u>\$ 5,910.99</u>	<u>\$ 14,701.94</u>	<u>\$ 624,841.07</u>	<u>\$ 763,942.83</u>

**BOROUGH OF BRADLEY BEACH**  
**TRUST FUND**  
**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE/(RECEIVABLE)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Increased By Receipts	Decreased By Disbursements	Balance December 31, 2017
Federal Withholding Tax		\$ 670,990.18	\$ 670,990.18	
Social Security and Medicare Tax		515,821.09	515,821.09	
Police and Firemen's Retirement System	\$ 10,209.12	197,801.01	198,620.09	\$ 9,390.04
Police and Firemen's Retirement System Back Pension	3,251.60	4,369.60	5,817.50	1,803.70
Police and Firemen's Retirement System Contributory	6.02	5,075.96	5,122.44	(40.46)
Police and Firemen's Retirement System Loans	733.92	87,159.50	87,905.38	(11.96)
Public Employees Retirement System	9,835.96	100,534.50	105,857.53	4,512.93
Public Employees Back Deduction	1,484.28	4,673.64	4,667.28	1,490.64
Public Employees Retirement System Loans	304.43	52,587.19	53,289.52	(397.90)
Public Employees Retirement System Contributory Insurance	418.66	6,638.73	7,162.43	(105.04)
Contributory Insurance Back	27.96	307.98	705.31	(369.37)
New Jersey Gross Income Tax		182,929.92	182,929.92	
New Jersey State Unemployment Compensation Insurance	(289.46)	24,834.67	24,834.67	(289.46)
P.B.A. Dues - Local #50	(40.00)	15,675.00	15,675.00	(40.00)
Deferred Compensation Plan		36,842.23	36,987.13	(144.90)
Bradley Beach Police Association	5.00	1,015.00	1,015.00	5.00
Medical Insurance	400.02	6,077.76	5,865.07	612.71
Prescription Plan	0.01	161,928.74	161,928.84	(0.09)
Garnishments		55,144.64	55,144.64	
Union Dues - AFL-CIO	673.06	11,309.36	11,710.80	271.62
	<u>\$ 27,020.58</u>	<u>\$ 2,141,716.70</u>	<u>\$ 2,152,049.82</u>	<u>\$ 16,687.46</u>

Bracketed Amount Denotes Receivable.

BOROUGH OF BRADLEY BEACH  
TRUST FUND  
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>BALANCE, DECEMBER 31, 2016</u>		\$ 4,868.00
<u>INCREASED BY</u>		
Dog License Fees Collected	\$ 2,047.00	
Miscellaneous	<u>20.00</u>	<u>2,067.00</u>
		\$ 6,935.00
<u>DECREASED BY</u>		
Expenditures Under R.S. 4:19-15.11		<u>2,405.24</u>
<u>BALANCE, DECEMBER 31, 2017</u>		<u>\$ 4,529.76</u>

LICENSES COLLECTED

<u>Year</u>	<u>Amount</u>
2015	\$ 2,201.00
2016	<u>2,372.00</u>
	<u>\$ 4,573.00</u>

AUDITOR'S NOTE

R.S. 4:19-15.11

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

**BOROUGH OF BRADLEY BEACH**  
**TRUST OTHER FUND**  
**STATEMENT OF VARIOUS RESERVES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Increased by		Decreased by Disbursements /Adjustments	Balance December 31, 2017
		Receipts	Due to Municipal Court		
Reserve for:					
Recycling Program (per N.J.S. 40A:4-39)	\$ 10,416.98	\$ 7,707.68		\$ 4,665.00	\$ 13,459.66
Insurance Commission (per N.J.S.A. 40A:4-39)	866.67	0.09		0.09	866.67
Parking Offenses Adjudication Act (per N.J.S.A. 40A:4-39)	1,979.03	1,486.00	\$ 42.00	0.00	3,507.03
Escrow Fees (per N.J.S. 40A:4-39)	30,593.02	44,105.40		47,052.95	27,645.47
Alcohol and Drug Abuse Alliance (per N.J.S. 40A:4-39)	443.06	189.93		189.88	443.11
Law Enforcement Trust	20,394.45	300.77		7,660.80	13,034.42
Relocation Assistance (N.J.S.A. 40A:4-39)	1,080.15	4.32		0.00	1,084.47
Fire Prevention Fees (N.J.S.A. 40A:4-39)	2,340.64	8.57		0.00	2,349.21
Public Defender Fees (N.J.S.A. 40A:4-39)	5,713.95	1,922.95	20.50	6,600.00	1,057.40
Shade Tree Commission	2,646.01	0.00		0.00	2,646.01
Outside Employment	127,848.30	96,713.00		168,217.00	56,344.30
Redemption of Tax Title Liens	8,726.42			6,137.36	2,589.06
Tax Sale Premiums	152,300.00	35,200.00		41,100.00	146,400.00
Street Opening Deposit	9,330.50	2,500.00			11,830.50
Bid Monies	2,000.00				2,000.00
Insurance	57,027.99				57,027.99
Light Pole	182.00				182.00
Jr. Lifeguard Program	11,743.99	8,380.00		8,730.26	11,393.73
Scholarships	1,651.26	0.00		0.00	1,651.26
Concession Security	18,055.25	1,005.10		0.00	19,060.35
Memorial Day Parade/Craft Fair	33,783.49	14,900.00		36,857.47	11,826.02
Arts Council Donations	60.52	0.00		0.00	60.52
Beach Foundation	3,532.40	0.00		48.09	3,484.31
OEM Trust	2,000.00	0.00		0.00	2,000.00
Snow Removal for Prior Year	14,020.49	0.00		0.00	14,020.49
Rec Sign Donations	75.00	0.00		0.00	75.00
Memorial Benches	19,701.16	400.00		17,989.75	2,111.41
Miscellaneous	22,690.94			14,465.60	8,225.34
	<u>\$ 561,203.67</u>	<u>\$ 214,823.81</u>	<u>\$ 62.50</u>	<u>359,714.25</u>	<u>\$ 416,375.73</u>



BOROUGH OF BRADLEY BEACH  
TRUST OTHER FUND  
STATEMENT OF RESERVE FOR NEW JERSEY UNEMPLOYMENT  
COMPENSATION INSURANCE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>BALANCE, DECEMBER 31, 2016</u>		\$ 151,221.47
<u>INCREASED BY</u>		
Budget Appropriation	\$ 35,000.00	
Interest Earned on Investments and Deposits	<u>15.52</u>	<u>35,015.52</u>
		\$ 186,236.99
<u>DECREASED BY</u>		
Unemployment Compensation Claims Paid		<u>10,330.39</u>
<u>BALANCE, DECEMBER 31, 2017</u>		<u>\$ 175,906.60</u>

BOROUGH OF BRADLEY BEACH  
TRUST OTHER FUND  
STATEMENT OF RESERVE FOR TOURISM  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>BALANCE, DECEMBER 31, 2016</u>		\$	14,701.94
<u>INCREASED BY</u>			
Cash Receipts	\$	52,960.83	
Interest Earned		<u>1.77</u>	<u>52,962.60</u>
		\$	67,664.54
<u>DECREASED BY</u>			
Cash Disbursed			<u>61,753.55</u>
<u>BALANCE, DECEMBER 31, 2017</u>		\$	<u>5,910.99</u>

**GENERAL CAPITAL FUND**

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2017 AND 2016**

	Balance December 31, 2017	Balance December 31, 2016
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 681,331.62	\$ 934,821.37
Intergovernmental Accounts Receivable	\$ 303,143.00	\$ 185,176.52
Deferred Charges to Future Taxation:		
Funded	\$ 3,323,414.22	\$ 3,723,296.66
Unfunded	1,270,023.00	1,085,927.00
	\$ 4,593,437.22	\$ 4,809,223.66
Obligations Under Capital Lease - Unfunded	\$ 671,000.00	\$ 606,000.00
Total Assets	\$ 6,248,911.84	\$ 6,535,221.55

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2017 AND 2016**

	Balance December 31, 2017	Balance December 31, 2016
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Serial Bonds	\$ 3,165,000.00	\$ 3,544,000.00
Due to State of New Jersey - Green Trust Loan	\$ 158,414.22	\$ 179,296.66
Bond Anticipation Notes	\$ 579,000.00	\$ 723,500.00
Capital Lease Obligations Payable - Principal	\$ 671,000.00	\$ 606,000.00
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 97,846.26	\$ 49,801.76
Reserve for Encumbrances	77,729.77	309,707.38
Various Reserves	263,036.44	237,246.79
	\$ 438,612.47	\$ 596,755.93
Improvement Authorizations:		
Funded	\$ 504,998.78	\$ 505,161.46
Unfunded	691,556.99	364,153.77
	\$ 1,196,555.77	\$ 869,315.23
Fund Balance	\$ 40,329.38	\$ 16,353.73
Total Liabilities, Reserves and Fund Balance	\$ 6,248,911.84	\$ 6,535,221.55

There were Bonds and Notes Authorized But Not Issued of \$691,023.00 at December 31, 2017.

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**ANALYSIS OF CASH AND CASH EQUIVALENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Receipts		Disbursements		Transfers		Balance December 31, 2017
		Miscellaneous	Improvement Authorizations	Miscellaneous		From	To	
Capital Fund Balance	\$ 16,353.73	\$ 4,365.00						\$ 40,329.38
Capital Improvement Fund	49,801.76	68,401.50						97,846.26
Reserve for Regional Contribution Agreement - Interest Income	19,606.92	3.49						19,610.41
Due to Current Fund		573.63		\$ 573.63				
Due from State of New Jersey - Department of Transportation	(56,250.00)	53,508.72						
Due from State of New Jersey - Department of Transportation	(119,191.52)	35,115.60						
Due from County of Monmouth - Open Space Grant (Ord. 11-09)	(9,735.00)	18,000.00						
Reserve for Encumbrances	309,707.38							
Reserve for Fletcher Lake Improvements, Unappropriated	20.00					169,265.00		(161,000.00)
Reserve for Recreation Building, Unappropriated	1,231.86					11,345.65		77,729.77
Reserve for Payment of Bonds	36,860.17							20.00
Reserve for Sylvan Lake Aerator	4,500.00							1,231.86
Reserve for Interlocal Agreement - Salt Dome	11,808.57							36,860.17
Reserve for Solar Panels	500.00							4,500.00
Reserve for NJLM 2010 Sustainable Grant	1,009.01							11,808.57
Reserve for Library Accessibility	22,854.01							500.00
Reserve for PW Roof Repairs	50,000.00							1,009.01
Reserve for Sylvan Lake Improvements	65,856.25	25,786.16						22,854.01
Reserve for Surveillance Camera	10,000.00							50,000.00
Reserve for Public Works Generator	13,000.00							91,642.41
								10,000.00
								13,000.00

Ordinance Number	Description	
98-04	Development and Implementation of a Housing Rehabilitation Program	15,235.76
03-23/04-12 06-16	Renovation of the Police and Administration Areas	70,821.15
		\$ 15,816.32
		55,004.83
		15,235.76

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**ANALYSIS OF CASH AND CASH EQUIVALENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Description	Balance December 31, 2016	Receipts		Disbursements		Transfers		Balance December 31, 2017
			Miscellaneous	Improvement Authorizations	Miscellaneous		From	To	
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	\$ 12,534.64			\$ 12,534.64				
05-07/ 06-06	Upgrades to the Emergency Communication System	12,817.58			12,817.58				
05-22/ 06-07/06-18	Various Road Improvements - Fifth Avenue	3,193.15			3,193.15				
06-19	Fletcher Lake Flume Improvements	2,877.46			2,877.46				
06-21	Sylvania Lake Bulk Heading Phase III	3,227.90			3,227.90				
07-16 09-05/11-22	Acquisition and Installation of Solar Panels	3,990.35			3,990.35				
08-06	Replacement of the Sylvan Lake Bulkhead - Phase IV	10,520.01							\$ 10,520.01
08-07	Various 2008 Roadway Improvements	14,062.57							14,062.57
09-13	Acquisition of Load and Pack Vehicle	331.26			331.26				
09-10	Monmouth County Improvement Authority Lease Program	2,500.00			2,500.00				
10-05/11-18 12-07	Various 2010 Roadway Improvements	82,074.44							82,074.44

**BOROUGH OF BRADLEY BEACH  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH AND CASH EQUIVALENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Receipts		Disbursements		Transfers		Balance December 31, 2017
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
11-08/11-21 12-08	\$ 38,159.96							\$ 38,159.96
11-09								
</								

Bracketed ( ) Amount Denotes Deficit.



**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

		Due From			
		Community Development Block Grant (Ord. # 17-19)	County of Monmouth Open Space Grant (Ord. # 11-09)	State of New Jersey Department of Transportation (Ord. #13-01)	(Ord. # 13-10)
<u>Total</u>					
<u>BALANCE, DECEMBER 31, 2016</u>	\$ 185,176.52		\$ 9,735.00	\$ 56,250.00	\$ 119,191.52
<u>INCREASED BY</u>					
Grants Awarded	311,408.00	\$ 142,143.00	8,265.00		
			\$ 161,000.00		
	\$ 496,584.52	\$ 142,143.00	\$ 18,000.00	\$ 56,250.00	\$ 119,191.52
<u>DECREASED BY</u>					
Cash Receipt	106,624.32		18,000.00	53,508.72	35,115.60
Canceled	86,817.20			2,741.28	84,075.92
<u>BALANCE, DECEMBER 31, 2017</u>	\$ 303,143.00	\$ 142,143.00	\$ 161,000.00	\$	\$

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION, UNFUNDED**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Ordinance Date/ Number	Improvements	Balance December 31, 2016	2017 Authorizations	2017 Budget Appropriation	Canceled	Balance December 31, 2017	Analysis of Balance December 31, 2017	
							Bond Anticipation Notes	Unexpended Improvement Authorizations
07-09	Capital Lease Guarantee	\$ 52,000.00		\$ 52,000.00				
08-06	Replacement of Sylvan Head Bulkhead - Phase IV	500.00			500.00			
14-11	Acquisition and Installation of Police Communication System	404.00			404.00			
15-08	Ocean Avenue Curbs and Sidewalks	118,750.00		\$ 23,750.00		\$ 95,000.00	\$ 95,000.00	
16-01	Real Property Acquisition	604,750.00		120,750.00		484,000.00	484,000.00	
16-05	Ocean Park Avenue Improvements	309,523.00				309,523.00		\$ 309,523.00
17-16	Improvements to Sylvan Lake and Sylvan Lake Park		\$ 227,000.00			227,000.00		227,000.00
17-19	Improvements to Riley Park		154,500.00			154,500.00		154,500.00
		<u>\$ 1,085,927.00</u>	<u>\$ 381,500.00</u>	<u>\$ 144,500.00</u>	<u>\$ 52,904.00</u>	<u>\$ 1,270,023.00</u>	<u>\$ 579,000.00</u>	<u>\$ 691,023.00</u>

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF SERIAL BONDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Decreased	Balance December 31, 2017
			Date	Amount				
General Improvements Bonds	12/13/07	\$ 3,733,000.00				\$ 304,000.00	\$ 304,000.00	
General Improvement Bonds (MCIA)	12/24/14	1,030,000.00	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%			
						940,000.00	50,000.00	\$ 890,000.00

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF SERIAL BONDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding		Interest Rate	Balance December 31, 2016	Decreased	Balance December 31, 2017
			Date	Amount				
Library Improvement Bonds (MCIA)	12/24/14	\$ 780,000.00	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%	\$ 650,000.00	\$ 25,000.00	\$ 625,000.00
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%	1,650,000.00		1,650,000.00
						\$ 3,544,000.00	\$ 379,000.00	\$ 3,165,000.00

BOROUGH OF BRADLEY BEACH  
GENERAL CAPITAL FUND  
STATEMENT OF DUE TO STATE OF NEW JERSEY - GREEN TRUST LOAN  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturity of Loan Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
			<u>Date</u>	<u>Amount</u>				
Parks, Playground and Recreation Improvements - Green Trust Loan	9/22/04	\$ 400,000.00	3/22/2018	\$ 10,598.10	2.00%	\$ 179,296.66	\$ 20,882.44	\$ 158,414.22
			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				
						<u>\$ 179,296.66</u>	<u>\$ 20,882.44</u>	<u>\$ 158,414.22</u>

BOROUGH OF BRADLEY BEACH  
GENERAL CAPITAL FUND  
STATEMENT OF BOND ANTICIPATION NOTES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Original Date Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2017</u>
15-08	Ocean Avenue Curbs and Sidewalks	5/23/2016	5/21/2018	2.25%	\$ 118,750.00	\$ 23,750.00	\$ 95,000.00
16-01	Acquisition of Real Property	5/23/2016	5/21/2018	2.25%	604,750.00	120,750.00	484,000.00
					<u>\$ 723,500.00</u>	<u>\$ 144,500.00</u>	<u>579,000.00</u>

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF IMPROVEMENT AUTHORIZATIONS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Description	Ordinance		Balance December 31, 2016		2017 Authorizations		Paid or Charged	Cancellation	Balance December 31, 2017		
		Date	Amount	Funded	Unfunded	Deferred Charges to Future Taxation	Capital Improvement Fund			Grants	Funded	Unfunded
98-04	Development and Implementation of a Housing Rehabilitation Program	05/18/98	\$ 1,900,000.00	\$ 15,235.76						\$ 15,235.76		
03-23/ 04-12/ 06-16	Renovation of the Police and Administration Areas (CDBG) \$194,662	11/25/03, 11/23/04, 07/25/06	2,875,000.00	70,821.15				\$ 15,816.32	\$ 55,004.83			
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	03/22/04	14,500.00	12,534.64					12,534.64			
05-07/ 06-06	Upgrades to the Emergency Communication System (Contingency Fund \$275,000)	02/22/05, 02/28/06	570,000.00	12,817.58					12,817.58			
05-22/ 06-07/ 06-18	Various Roadway, Intersection Fifth Avenue Improvements (NJ DOT \$265,000)	06/28/05, 02/28/06, 11/28/06	750,000.00	3,193.15					3,193.15			
06-19	Fletcher Lake Flume Improvements	11/28/06	125,000.00	2,877.46					2,877.46			
06-21	Sylvan Lake Bulk Heading Phase III	12/29/06	150,000.00	3,227.90					3,227.90			
07-09	Capital Lease Guarantee	07/24/07	120,000.00	\$ 52,000.00					52,000.00			
07-16/ 09-05/ 11/22	Acquisition and Installation of Solar Panels (NJ BPU \$88,000)	10/09/07	291,511.91	3,990.35					3,990.35			
08-06	Replacement of Sylvan Head Bulkhead - Phase IV (CDBG \$194,000)	06/10/08	400,000.00	10,520.01	500.00				500.00	10,520.01		
08-07	Various 2008 Roadway Improvements (NJDOT \$160,000)	06/10/08	330,000.00	14,062.57							14,062.57	
09-13	Acquisition of Load and Pack Vehicle	11/10/09	41,000.00	331.26							331.26	
09-10	Monmouth County											

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF IMPROVEMENT AUTHORIZATIONS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Description	Ordinance		Balance December 31, 2016		2017 Authorizations		Paid or Charged	Cancellation	Balance December 31, 2017		
		Date	Amount	Funded	Unfunded	Deferred Charges to Future Taxation	Capital Improvement Fund			Grants	Funded	Unfunded
	Improvement Authority Lease Program	07/28/09	\$ 27,500.00	\$ 2,500.00				\$	2,500.00			
10-05/ 11-18/ 12-07	Various 2010 Roadway Improvements (NJDOT \$210,000)	Various	497,000.00	82,074.44						\$ 82,074.44		
11-08/ 11-21/ 12-08	Various 2011 Roadway Improvements	Various	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	125,734.63				\$	86,817.20	38,917.43		
14-06	Improvements to the Library	03/11/14	900,000.00	68,372.36				\$ 31,585.95		36,786.41		
14-11	Police Communications Equipment	04/22/14	150,000.00	21,650.87	\$ 404.00				404.00	21,650.87		
15-08	Ocean Avenue Curbs and Sidewalks	05/26/15	125,000.00		81.64			33.79		\$ 47.85		
16-01	Acquisition of Real Property	01/26/16	635,000.00		1,645.13			1,158.99			486.14	
16-05	Ocean Park Avenue Improvements	02/09/16	325,000.00	15,477.00	309,523.00					15,477.00	309,523.00	
17-16	Improvements to Sylvan Lake and Sylvan Lake Park	06/13/17	400,000.00			\$ 227,000.00	\$ 12,000.00	\$ 56,466.31		116,533.69	227,000.00	
17-19	Improvements to Riley Park	07/25/17	305,000.00			154,500.00	8,357.00	36,500.00		114,000.00	154,500.00	
			\$ 505,161.73	\$ 364,153.77	\$ 381,500.00	\$ 20,357.00	\$ 303,143.00	\$ 141,561.36	\$ 236,198.37	\$ 504,998.78	\$ 691,556.99	



BOROUGH OF BRADLEY BEACH  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL IMPROVEMENT FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>BALANCE, DECEMBER 31, 2016</u>	\$ 49,801.76
<u>INCREASED BY</u>	
2017 Budget Appropriation	<u>68,401.50</u>
	\$ 118,203.26
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorizations	<u>20,357.00</u>
<u>BALANCE, DECEMBER 31, 2017</u>	<u>\$ 97,846.26</u>

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**AS OF DECEMBER 31, 2017 AND 2016**

	December 31,	
	<u>2017</u>	<u>2016</u>
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	36,860.17
Reserve for 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 Library Accessibility	22,854.01	22,854.01
Reserve for Regional Contribution Agreement - Interest Income	19,610.41	19,606.92
Reserve for PW Roof Repairs	50,000.00	50,000.00
Reserve for Sylvan Lake Improvements	91,642.41	65,856.25
Reserve for Surveillance System	10,000.00	10,000.00
Reserve for Public Works Generator	13,000.00	13,000.00
	<u>\$ 263,036.44</u>	<u>\$ 237,246.79</u>

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

<u>Ordinance Number</u>	<u>Improvements</u>	<u>Balance December 31, 2016</u>	<u>Decreased by</u>		<u>Balance December 31, 2017</u>
			<u>2017 Authorizations</u>	<u>Cancellation</u>	
07-09	Capital Lease Guarantee	\$ 52,000.00	\$ 52,000.00		
08-06	Replacement of Sylvan Lake Bulkhead - Phase IV	500.00		500.00	
14-11	Acquisition and Installation of Police Communications Equipment	404.00		404.00	
16-05	Ocean Park Avenue Improvement	309,523.00			\$ 309,523.00
17-16	Improvements to Sylvan Lake and Sylvan Lake Park		\$ 227,000.00		227,000.00
17-19	Improvements to Riley Park		154,500.00		154,500.00
		<u>\$ 362,427.00</u>	<u>\$ 381,500.00</u>	<u>\$ 52,904.00</u>	<u>\$ 691,023.00</u>

**UTILITY OPERATING FUNDS - COMBINED STATEMENTS**

**BOROUGH OF BRADLEY BEACH**  
**COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2017 AND 2016**

	<u>Beach Utility</u>		<u>Sewer Utility</u>		<u>Totals</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>						
Operating Fund:						
Cash and Cash Equivalents	\$ 636,337.55	\$ 845,104.21	\$ 2,197,686.24	\$ 1,115,084.22	\$ 2,834,023.79	\$ 1,960,188.43
Investment - Special Emergency Note			80,000.00		80,000.00	
Consumer Accounts Receivable			75,106.77	76,729.36	75,106.77	76,729.36
Interfunds Receivable:						
Due from Beach Utility Capital Fund		47.74				47.74
Total Assets	\$ 636,337.55	\$ 845,151.95	\$ 2,352,793.01	\$ 1,191,813.58	\$ 2,989,130.56	\$ 2,036,965.53
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>						
Operating Fund:						
Liabilities:						
Appropriation Reserves	\$ 182,617.23	\$ 98,835.98	\$ 279,969.88	\$ 127,604.48	\$ 462,587.11	\$ 226,440.46
Other Liabilities and Reserves:						
Reserve for Encumbrance	\$ 34,167.04	\$ 34,403.57	\$ 199,477.51	\$ 34,765.93	\$ 233,644.55	\$ 69,169.50
Prepaid Bathing Badges	157,560.00	131,950.00			157,560.00	131,950.00
Sewer Rent Overpayments			2,411.22	7,707.51	2,411.22	7,707.51
Prepaid Sewer Rents			10,681.08	7,846.90	10,681.08	7,846.90
Accrued Interest on Bonds and Notes	13,193.80	13,795.83	7,580.03	3,887.21	20,773.83	17,683.04
Due to Lienholder			6.81	6.81	6.81	6.81
Various Reserves	59,718.33	82,700.15	77,714.05	115,642.10	137,432.38	198,342.25
Interfunds Payable:						
Due to Beach Utility Capital Fund			558,361.72		558,361.72	
Reserve for Receivables	\$ 264,639.17	\$ 262,849.55	\$ 856,232.42	\$ 169,856.46	\$ 1,120,871.59	\$ 432,706.01
Fund Balance						
			\$ 75,106.77	76,729.36	\$ 75,106.77	76,729.36
Total Liabilities, Reserves and Fund Balance	\$ 189,081.15	\$ 483,466.42	\$ 1,141,483.94	\$ 817,623.28	\$ 1,330,565.09	\$ 1,301,089.70
	\$ 636,337.55	\$ 845,151.95	\$ 2,352,793.01	\$ 1,191,813.58	\$ 2,989,130.56	\$ 2,036,965.53

**BEACH UTILITY OPERATING FUND**

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN**  
**OPERATING FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 401,966.00	\$ 348,749.95
Bathing Badges	1,440,178.95	1,612,820.66
Concession Rents	81,077.00	75,659.37
Parking Meters	78,261.52	90,852.12
Beach Locker Fees	86,875.00	63,200.00
Nonbudget Revenue	25,863.97	8,621.07
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	113,556.86	133,609.61
Cancellation of Current Appropriations	<u>3,851.43</u>	<u></u>
Total Income	\$ <u>2,231,630.73</u>	\$ <u>2,333,512.78</u>
Expenditures:		
Operating:		
Salaries and Wages	\$ 1,075,849.00	\$ 1,037,273.68
Other Expenses	537,252.00	551,647.39
Capital Improvements	105,950.00	87,000.00
Debt Service	311,999.00	267,794.38
Deferred Charges and Statutory Expenditures	<u>93,000.00</u>	<u>96,000.00</u>
Total Expenditures	\$ <u>2,124,050.00</u>	\$ <u>2,039,715.45</u>
Statutory Excess to Fund Balance	\$ 107,580.73	\$ 293,797.33
Fund Balance, January 1	<u>483,466.42</u>	<u>538,419.04</u>
	\$ 591,047.15	\$ 832,216.37
Decreased by:		
Utilization as Anticipated Revenue	<u>401,966.00</u>	<u>348,749.95</u>
Fund Balance, December 31	\$ <u><u>189,081.15</u></u>	\$ <u><u>483,466.42</u></u>

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 401,966.00	\$ 401,966.00	
Bathing Badges	1,481,000.00	1,440,178.95	\$ (40,821.05)
Concession Rents	75,659.00	81,077.00	5,418.00
Locker Rental Maintenance Fees	63,200.00	71,650.00	8,450.00
Locker Rental Maintenance Fees - Additional	15,225.00	15,225.00	
Parking Meters	<u>87,000.00</u>	<u>78,261.52</u>	<u>(8,738.48)</u>
	\$ 2,124,050.00	\$ 2,088,358.47	\$ (35,691.53)
Nonbudget Revenue	<u>                    </u>	<u>25,863.97</u>	<u>25,863.97</u>
	<u>\$ 2,124,050.00</u>	<u>\$ 2,114,222.44</u>	<u>\$ (9,827.56)</u>

**ANALYSIS OF NONBUDGET REVENUE**

Interest on Investment	\$ 4,214.82
Lifeguard Tournament Fees	2,406.00
Gazebo Rental	2,200.00
Miscellaneous	1,673.65
Check Fee	20.00
Gazebo Parking Space	100.00
LobsterFest Donation	15,000.00
Unclaimed VIPLY Daily Badges	<u>249.50</u>
	<u>\$ 25,863.97</u>



**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>						
Salaries and Wages	\$ 1,075,849.00	\$ 1,075,849.00	\$ 1,026,098.11	\$ 49,750.89		
Other Expenses	537,252.00	537,252.00	402,898.36	25,667.04	108,686.60	
Total Operating	\$ 1,613,101.00	\$ 1,613,101.00	\$ 1,428,996.47	\$ 25,667.04	\$ 158,437.49	
<b>CAPITAL IMPROVEMENTS</b>						
Capital Improvement Fund	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00			
Capital Outlay	96,950.00	96,950.00	65,866.44	8,500.00	22,583.56	
Total Capital Improvements	\$ 105,950.00	\$ 105,950.00	\$ 74,866.44	\$ 8,500.00	\$ 22,583.56	
<b>DEBT SERVICE</b>						
Payment of Bond Principal	\$ 193,000.00	\$ 193,000.00	\$ 193,000.00			
Payment of Bond Anticipation Notes and Capital Notes	35,000.00	35,000.00	35,000.00			
Interest on Bonds	66,855.00	66,855.00	66,855.00			
Interest on Notes	17,144.00	17,144.00	13,292.57			\$ 3,851.43
Total Debt Service	\$ 311,999.00	\$ 311,999.00	\$ 308,147.57			\$ 3,851.43
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	\$ 83,000.00	\$ 83,000.00	\$ 81,403.82		\$ 1,596.18	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Statutory Expenditures	\$ 93,000.00	\$ 93,000.00	\$ 91,403.82		\$ 1,596.18	
Total Beach Utility Appropriations	\$ 2,124,050.00	\$ 2,124,050.00	\$ 1,903,414.30	\$ 34,167.04	\$ 182,617.23	\$ 3,851.43

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**STATEMENT OF 2016 APPROPRIATION RESERVES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Appropriation Reserves	Balance December 31, 2016 Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
<b>OPERATING</b>					
Salaries and Wages	\$ 46,482.70		\$ 46,482.70	\$ 10,000.00	\$ 36,482.70
Other Expenses	40,777.71	\$ 34,403.57	75,181.28	9,682.69	65,498.59
<b>CAPITAL IMPROVEMENTS</b>					
Capital Outlay	1,052.10		1,052.10		1,052.10
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	10,523.47		10,523.47		10,523.47
	\$ 98,835.98	\$ 34,403.57	\$ 133,239.55	\$ 19,682.69	\$ 113,556.86

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

<u>BALANCE, DECEMBER 31, 2016</u>						\$ 13,795.83
<u>INCREASED BY</u>						
Budget Appropriations:						
Interest on Bonds			\$ 13,292.57			
Interest on Notes			<u>66,855.00</u>			<u>80,147.57</u>
<u>DECREASED BY</u>						\$ 93,943.40
Cash Disbursed:						
Bonds			\$ 68,049.61			
Notes			<u>12,699.99</u>			<u>80,749.60</u>
<u>BALANCE, DECEMBER 31, 2017</u>						<u>\$ 13,193.80</u>

ANALYSIS OF BALANCE

	Amount Outstanding December 31, 2017	Interest Rate	From	To	Accrual Period	Accrual
Bond Anticipation Note	\$ 600,000.00	2.25%	05/22/17	12/31/17	223 Days	\$ 8,247.96
Serial Bonds - 2014	1,250,000.00	Various	12/01/17	12/31/17	1 Month	<u>4,945.84</u>
						<u>\$ 13,193.80</u>

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY OPERATING FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**AS OF DECEMBER 31, 2017 AND 2016**

	December 31,	
	<u>2017</u>	<u>2016</u>
Reserve for Compensated Absences	\$ 10,000.00	\$ 31,000.00
Reserve for Beach Enhancement Donations	4,705.53	4,705.53
Reserve for Sand Replenishment Costs	39,778.00	39,778.00
Reserve for Green Acres (Unappropriated)	<u>5,234.80</u>	<u>7,216.62</u>
	<u>\$ 59,718.33</u>	<u>\$ 82,700.15</u>

**SEWER UTILITY OPERATING FUND**

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN**  
**OPERATING FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 32,648.00	\$ 115,834.57
Rents	1,994,577.34	2,009,189.26
Nonbudget Revenue	12,589.77	10,362.24
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	146,894.37	66,616.89
Cancellation of Current Appropriations	<u>107,447.18</u>	
Total Income	\$ <u>2,294,156.66</u>	\$ <u>2,202,002.96</u>
Expenditures:		
Operating:		
Salaries and Wages	\$ 350,290.00	\$ 365,808.82
Other Expenses	1,194,180.00	1,250,445.00
Capital Improvements	127,000.00	252,920.00
Debt Service	174,740.00	64,500.00
Deferred Charges and Statutory Expenditures	<u>91,438.00</u>	<u>87,160.75</u>
Total Expenditures	\$ <u>1,937,648.00</u>	\$ <u>2,020,834.57</u>
Excess in Revenue/Statutory Excess to Fund Balance	\$ 356,508.66	\$ 181,168.39
Fund Balance, January 1	<u>817,623.28</u>	<u>752,289.46</u>
	\$ <u>1,174,131.94</u>	\$ <u>933,457.85</u>
Decreased by:		
Utilization as Anticipated Revenue	\$ <u>32,648.00</u>	\$ <u>115,834.57</u>
Fund Balance, December 31	\$ <u><u>1,141,483.94</u></u>	\$ <u><u>817,623.28</u></u>

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2017**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 32,648.00	\$ 32,648.00	
Rents	<u>1,905,000.00</u>	<u>1,994,577.34</u>	<u>\$ 89,577.34</u>
	\$ 1,937,648.00	\$ 2,027,225.34	\$ 89,577.34
Nonbudget Revenue	<u>                    </u>	<u>12,589.77</u>	<u>12,589.77</u>
	<u>\$ 1,937,648.00</u>	<u>\$ 2,039,815.11</u>	<u>\$ 102,167.11</u>

**ANALYSIS OF NONBUDGET REVENUE**

Interest on Investments	\$ 440.92
Interest on Delinquent Accounts	9,571.16
Miscellaneous	<u>2,577.69</u>
	<u>\$ 12,589.77</u>

BOROUGH OF BRADLEY BEACH  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATING</u>						
Salaries and Wages	\$ 350,290.00	\$ 350,290.00	\$ 316,623.75		\$ 33,666.25	
Other Expenses	425,173.00	425,123.00	309,933.87	\$ 10,995.51	104,193.62	
Sewer Service Agreement with the Neptune Township Sewerage Authority	769,007.00	769,007.00	565,446.00	188,482.00	15,079.00	
Total Operating	\$ 1,544,470.00	\$ 1,544,420.00	\$ 1,192,003.62	\$ 199,477.51	\$ 152,938.87	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Outlay	\$ 127,000.00	\$ 127,000.00			\$ 127,000.00	
Total Capital Improvements	\$ 127,000.00	\$ 127,000.00			\$ 127,000.00	
<u>DEBT SERVICE</u>						
Payment of Bond Principal	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00			
Interest on Bonds	32,413.00	32,413.00	32,412.79			\$ 0.21
NJEIT Principal and Interest	112,327.00	112,327.00	4,880.03			107,446.97
Total Debt Service	\$ 174,740.00	\$ 174,740.00	\$ 67,292.82			\$ 107,447.18
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 48,938.00	\$ 48,938.00	\$ 48,938.00			
Social Security System (O.A.S.I.)	27,500.00	27,500.00	27,518.99		\$ 31.01	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	15,000.00	15,000.00	15,000.00			
Total Deferred Charges and Statutory Expenditures	\$ 91,438.00	\$ 91,488.00	\$ 91,456.99		\$ 31.01	
Total Sewer Utility Appropriations	\$ 1,937,648.00	\$ 1,937,648.00	\$ 1,350,753.43	\$ 199,477.51	\$ 279,969.88	\$ 107,447.18



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

<u>BALANCE, DECEMBER 31, 2016</u>		\$ 76,729.36
<u>INCREASED BY</u>		
Sewer Charges Levied		<u>1,996,104.27</u>
		\$ 2,072,833.63
<u>DECREASED BY</u>		
Receipts	\$ 1,981,434.15	
Prepayments Applied	7,846.90	
Overpayments Applied	5,296.29	
Adjustments/Cancellations	<u>3,149.52</u>	<u>1,997,726.86</u>
<u>BALANCE, DECEMBER 31, 2017</u>		\$ <u><u>75,106.77</u></u>

BOROUGH OF BRADLEY BEACH  
SEWER UTILITY OPERATING FUND  
STATEMENT OF 2016 APPROPRIATION RESERVES

	Balance December 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>		
<u>OPERATING</u>				
Salaries and Wages	\$ 19,943.85	\$ 19,943.85	\$	19,943.85
Other Expenses	105,089.29	\$ 19,023.93	\$ 12,904.70	111,208.52
Sewer Service Agreement with the Neptune Township Sewerage Authority		15,742.00		15,742.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	2,571.34			
	<u>\$ 127,604.48</u>	<u>\$ 34,765.93</u>	<u>\$ 12,904.70</u>	<u>\$ 146,894.37</u>

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

BALANCE, DECEMBER 31, 2016 \$ 3,887.21

INCREASED BY

Budget Appropriations:		
Interest on Bonds	\$ 32,412.79	
Interest on NJEIT Project	<u>4,880.03</u>	<u>37,292.82</u>
		\$ 41,180.03

DECREASED BY

Cash Disbursed:		
Interest on Bonds		<u>33,600.00</u>

BALANCE, DECEMBER 31, 2017 \$ 7,580.03

ANALYSIS OF BALANCE

	Amount Outstanding December 31, <u>2017</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	Accrual <u>Period</u>	<u>Accrual</u>
Serial Bonds - 2014	\$ 730,000.00	Various	12/1/2017	12/31/2017	1 Month	\$ 2,700.00
Bond Anticipation Note	355,000.00	2.25%	5/22/2017	12/31/2017	223 Days	<u>4,880.03</u>
						\$ <u>7,580.03</u>

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**AS OF DECEMBER 31, 2017 AND 2016**

	December 31,	
	<u>2017</u>	<u>2016</u>
Reserve for Compensated Absences	\$ 20,000.00	\$ 63,101.48
Reserve for TNSA	<u>57,714.05</u>	<u>52,540.62</u>
	<u>\$ 77,714.05</u>	<u>\$ 115,642.10</u>

**UTILITY CAPITAL FUNDS - COMBINED STATEMENTS**

**BOROUGH OF BRADLEY BEACH**  
**COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -**  
**BEACH UTILITY AND SEWER UTILITY CAPITAL FUNDS - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2017 AND 2016**

	Beach Utility Capital Fund		Sewer Utility Capital Fund		Total (Memorandum Only)	
	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 502,248.04	\$ 301,744.55	\$ 886,623.67	\$ 587,848.73	\$ 1,388,871.71	\$ 889,593.28
Interfunds Receivable- Due from Current Fund	\$ 50,375.40	\$ 17,508.17			\$ 50,375.40	\$ 17,508.17
Due from Sewer Utility Operating Fund	558,361.72				558,361.72	
Fixed Capital	\$ 3,390,929.15	\$ 3,390,929.15	\$ 4,662,385.74	\$ 4,662,385.74	\$ 8,053,314.89	\$ 8,053,314.89
Fixed Capital Authorized and Uncompleted	3,310,648.56	2,810,648.56	2,851,385.61	1,385.61	6,162,034.17	2,812,034.17
	\$ 6,701,577.71	\$ 6,201,577.71	\$ 7,513,771.35	\$ 4,663,771.35	\$ 14,215,349.06	\$ 10,865,349.06
Total Assets	\$ 7,812,562.87	\$ 6,520,830.43	\$ 8,400,395.02	\$ 5,251,620.08	\$ 16,212,957.89	\$ 11,772,450.51
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>						
Serial Bonds	\$ 1,250,000.00	\$ 1,443,000.00	\$ 730,000.00	\$ 760,000.00	\$ 1,980,000.00	\$ 2,203,000.00
Bond Anticipation Notes	\$ 600,000.00	\$ 635,000.00	355,000.00		955,000.00	\$ 635,000.00
Improvement Authorizations: Funded	\$ 62,030.55	\$ 94,046.05	\$ 1,385.61	\$ 1,385.61	\$ 63,416.16	\$ 95,431.66
Unfunded	462,878.19	5,673.06	618,074.19		1,080,952.38	5,673.06
	\$ 524,908.74	\$ 99,719.11	\$ 619,459.80	\$ 1,385.61	\$ 1,144,368.54	\$ 101,104.72
Capital Improvement Fund	\$ 45,899.61	\$ 36,899.61	\$ 191,251.94	\$ 191,251.94	\$ 237,151.55	\$ 228,151.55
Reserve for Encumbrances	168,391.87	137,563.91	2,177,900.75	2,200.00	2,346,292.62	139,763.91
Various Reserves	862,582.59	35,820.00	391,609.77	391,609.77	1,254,192.36	427,429.77
Interfunds Payable:						
Due to Beach Utility Operating Fund		47.74				47.74
Reserve for Amortization	\$ 1,076,874.07	\$ 210,331.26	\$ 2,760,762.46	\$ 585,061.71	\$ 3,837,636.53	\$ 795,392.97
Deferred Reserve for Amortization	\$ 2,309,685.89	\$ 2,081,685.89	\$ 3,762,771.35	\$ 3,732,771.35	\$ 6,072,457.24	\$ 5,814,457.24
Fund Balance	\$ 2,041,891.82	\$ 2,041,891.82	\$ 171,000.00	\$ 171,000.00	\$ 2,212,891.82	\$ 2,212,891.82
	\$ 9,202.35	9,202.35	\$ 1,401.41	\$ 1,401.41	\$ 10,603.76	\$ 10,603.76
Total Liabilities, Reserves and Fund Balance	\$ 7,812,562.87	\$ 6,520,830.43	\$ 8,400,395.02	\$ 5,251,620.08	\$ 16,212,957.89	\$ 11,772,450.51

There were Bonds and Notes Authorized but not Issued in the Beach Utility Capital Fund of \$500,000.00 and there were Bonds and Notes Authorized but not Issued in the Sewer Utility Capital Fund of \$2,495,000 as of December 31, 2017.

**BEACH UTILITY CAPITAL FUND**

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

		Receipts		Disbursements		
		Balance December 31, 2016	Miscellaneous	Improvement Authorizations	Miscellaneous	Balance December 31, 2017
					Transfers From To	
Capital Fund Balance		\$ 9,202.35				\$ 9,202.35
Capital Improvement Fund		36,899.61	\$ 9,000.00			45,899.61
Reserve for Encumbrances		137,563.91			\$ 30,827.96	168,391.87
Reserve for Upgrade to Public Safety Station		22,820.00				22,820.00
Reserve for Public Works Generator		13,000.00				13,000.00
Due (from)/to Sewer Utility Operating Fund		47.74	226.30	\$ 274.04	\$ 558,361.72	(558,361.72)
Reserve for FEMA Grant			218,025.47			826,762.59
Due (from)/to Current Fund		(17,508.17)	17,508.17		50,375.40	(50,375.40)
Ordinance Number	Description					
00-09	Beach Erosion Control Project	42,680.85		\$ 29,640.00		13,040.85
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and Extension of the Outfall Pipe	2,375.50			2,375.50	
07-11	Acquisition of a Beach Tractor	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	25,257.50				25,257.50
14-05	Parking Meter Pay Station Installation	13,442.80		213.10		13,442.80
16-02	Real Property Acquisition	5,673.06			2,597.96	2,862.00
17-13	Improvements to Beach Railing on the Boardwalk				28,230.00	(39,983.81)
		\$ 301,744.55	\$ 244,759.94	\$ 41,606.91	\$ 639,565.08	\$ 502,248.04

Bracketed ( ) Amount Denotes Deficit.



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

BALANCE, DECEMBER 31, 2016

AND

BALANCE, DECEMBER 31, 2017

\$ 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 - 2002	8,311.89
Capital Outlay - 2003	8,000.00
Capital Outlay - 2004	4,070.00
Capital Outlay - 2005	5,000.00
Capital Outlay - 2006	22,000.00
Capital Outlay - 2007	7,199.34
Capital Outlay - 2008	902.03
Capital Outlay - 2009	17,591.76
Capital Outlay - 2010	11,490.00
Capital Outlay - 2011	56,421.66
Capital Outlay - 2012	44,331.80
Capital Outlay - 2013	45,334.57
Capital Outlay - 2014	16,392.30
Capital Outlay - 2015	23,749.00
Capital Outlay - 2016	<u>83,150.40</u>
	\$ <u>3,390,929.15</u>

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY CAPITAL FUND**  
**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	<u>Original Amount</u>	<u>Balance December 31, 2016</u>	<u>2017 Authorized</u>	<u>Balance December 31, 2017</u>
00-09	Beach Erosion Control Project	8/8/2000	\$ 398,000.00	\$ 128,000.00		\$ 128,000.00
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	3/22/2004	43,500.00	2,375.50		2,375.50
06-17	Various Beachfront Improvements	11/28/2006	750,000.00	750,000.00		750,000.00
09-13	Acquisition of a Load and Pack Vehicle	11/10/2009	124,000.00	124,000.00		124,000.00
10-02	Concession Trailer	2/23/2010	60,600.00	60,600.00		60,600.00
13-02	Various Beach Improvements	2/27/2013	1,600,000.00	1,600,000.00		1,600,000.00
14-05	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	5,673.06		5,673.06
17-13	Improvements to Beach Railing on Boardwalk	5/9/2017	500,000.00		\$ 500,000.00	500,000.00
				<u>\$ 2,810,648.56</u>	<u>\$ 500,000.00</u>	<u>\$ 3,310,648.56</u>

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding		Interest Rate	Balance December 31, 2016	Decreased	Balance December 31, 2017
			Date	Amount				
Beach Improvement Bonds	12/13/07	\$ 746,000.00				\$ 98,000.00	\$ 98,000.00	-
Beach Improvement Bonds (MCIA)	12/24/14	1,525,000.00	12/01/18	\$ 100,000.00	4.000%			
			12/01/19	105,000.00	4.000%			
			12/01/20	110,000.00	5.000%			
			12/01/21	115,000.00	5.000%			
			12/01/22	120,000.00	5.000%			
			12/01/23	125,000.00	5.000%			
			12/01/24	135,000.00	5.000%			
			12/01/25	140,000.00	5.000%			
			12/01/26	145,000.00	5.000%			
			12/01/27	155,000.00	5.000%			
						1,345,000.00	95,000.00	\$ 1,250,000.00
						<u>\$ 1,443,000.00</u>	<u>\$ 193,000.00</u>	<u>\$ 1,250,000.00</u>

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
16-02	Land Acquisition	05/23/16	05/22/17	05/21/18	2.25%	\$ 635,000.00	\$ 35,000.00	\$ 600,000.00
						<u>\$ 635,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 600,000.00</u>

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY CAPITAL FUND**  
**STATEMENT OF IMPROVEMENT AUTHORIZATIONS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Description	Ordinance		Balance December 31, 2016		2017 Authorizations	Paid or Charged	Balance December 31, 2017	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
00-09	Beach Erosion Control Project (County of Monmouth Grant - \$241,769.00)	8/8/2000	\$ 640,000.00	\$ 42,680.85		\$	29,640.00	\$ 13,040.85	
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and Extension of Outfall Pipe	3/22/2004	58,000.00	2,375.50			2,375.50		
06-17	Various Beachfront Improvements	11/28/2006	750,000.00	2,519.59				2,519.59	
09-13	Acquisition of a Load and Pack 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	25,257.50				25,257.50	
14-05	Parking Meter Pay Station Improvements	2/27/2014	140,000.00	13,442.80				13,442.80	
16-02	Real Property Acquisition	1/26/2016	635,000.00		\$ 5,673.06		2,811.06	\$	2,862.00
17-13	Improvements to Beach Railing on the Boardwalk	5/9/2017	500,000.00			\$ 500,000.00	39,983.81		460,016.19
				\$ 94,046.05	\$ 5,673.06	\$ 500,000.00	\$ 74,810.37	\$ 62,030.55	\$ 462,878.19

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY CAPITAL FUND**  
**STATEMENT OF CAPITAL IMPROVEMENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

<u>BALANCE, DECEMBER 31, 2016</u>	\$ 36,899.61
<u>INCREASED BY</u>	
2017 Budget Appropriation	<u>9,000.00</u>
<u>BALANCE, DECEMBER 31, 2017</u>	<u>\$ 45,899.61</u>

**BOROUGH OF BRADLEY BEACH**  
**BEACH UTILITY CAPITAL FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**AS OF DECEMBER 31, 2017 AND 2016**

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
Reserve for FEMA Grant	\$ 826,762.59	
Reserve for Upgrade to Public Safety Station	22,820.00	\$ 22,820.00
Reserve for Public Works Generator	<u>13,000.00</u>	<u>13,000.00</u>
	<u>\$ 862,582.59</u>	<u>\$ 35,820.00</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>2017 Authorization</u>	<u>Balance December 31, 2017</u>
17-13	Improvements to Beach Railing on the Broadway	\$ <u>500,000.00</u>	\$ <u>500,000.00</u>



**SEWER UTILITY CAPITAL FUND**

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

	Balance December 31, 2016	Receipts		Disbursements		Transfers		Balance December 31, 2017
		Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 1,401.41							\$ 1,401.41
Capital Improvement Fund	191,251.94							191,251.94
Reserve for Roof Repairs - PW Building	100,000.00							100,000.00
Due (from)/to Sewer Utility Operating Fund		\$ 267.13		\$ 267.13				
Reserve for Encumbrances	2,200.00							2,200.00
Reserve for Manhole Resetting	100,000.00							100,000.00
Reserve for Video Inspection of Sewer Lines	25,000.00							25,000.00
Reserve for PW Generator	13,000.00							13,000.00
Reserve for Sewer Infrastructure Upgrades	114,070.00							114,070.00
Reserve for Payment of Bonds	39,539.77							39,539.77
Ordinance Number								
12-13/13-06								
Improvement Authorizations								
Reconstruction of Sewer Pump Station	1,385.61							1,385.61
17-11								
Improvements to Sanitary Sewer System								
		\$ 267.13	\$ 355,000.00	\$ 56,225.06		2,175,700.75		(1,876,925.81)
	\$ 587,848.73	\$ 267.13	\$ 355,000.00	\$ 56,225.06	\$ 267.13	\$ 2,175,700.75	\$ 2,175,700.75	\$ 886,623.67

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF FIXED CAPITAL**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

BALANCE, DECEMBER 31, 2016

AND

BALANCE, DECEMBER 31, 2017 \$ 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 Rehabilitation - 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 Appropriations Reserves	12,500.00
Capital Outlay - 2015 Appropriations	87,500.00
Capital Outlay - 2015 Appropriations Reserves	39,309.50
Capital Outlay - 2016 Appropriations	252,920.00
Pump Station Reconstruction - 2016	<u>989,614.39</u>

\$ 4,662,385.74

BOROUGH OF BRADLEY BEACH  
SEWER UTILITY CAPITAL FUND  
**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	<u>Original Amount</u>	<u>Balance December 31, 2016</u>	<u>2017 Authorizations</u>	<u>Balance December 31, 2017</u>
12-13/13-06	Reconstruction of Sewer Pump Station	11/28/2012				
		05/28/13	\$ 991,000.00	\$ 1,385.61		\$ 1,385.61
17-11	Improvements to the Sanitary Sewer System	02/28/17	2,850,000.00		\$ 2,850,000.00	2,850,000.00
				\$ 1,385.61	\$ 2,850,000.00	\$ 2,851,385.61

BOROUGH OF BRADLEY BEACH  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of</u>		<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
			<u>Bonds Outstanding December 31, 2017</u>	<u>Amount</u>				
Sewer Improvements Bonds (MCIA)	12/24/14	\$ 820,000.00	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%			
						\$ 760,000.00	\$ 30,000.00	\$ 730,000.00
						<u>\$ 760,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 730,000.00</u>

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increase</u>	<u>Balance December 31, 2017</u>
17-11	Improvements to the Sanitary Sewer System	05/22/17	05/22/17	05/21/18	2.25%	\$ 355,000.00	\$ 355,000.00
						<u>\$ 355,000.00</u>	<u>\$ 355,000.00</u>

**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF IMPROVEMENT AUTHORIZATIONS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Description	Ordinance			Balance December 31, 2016		2017 Authorizations	Paid or Charged	Balance December 31, 2017	
		Date	Amount		Funded	Unfunded			Funded	Unfunded
12-13/13-06	Reconstruction of Sewer Pump Station	11/28/12 05/28/13	\$ 791,000.00	\$ 1,385.61					\$ 1,385.61	
17-11	Improvements to the Sanitary Sewer System	02/28/17	2,850,000.00				\$ 2,850,000.00	2,231,925.81		\$ 618,074.19
					\$ 1,385.61	\$ 0.00	\$ 2,850,000.00	\$ 2,231,925.81	\$ 1,385.61	\$ 618,074.19

BOROUGH OF BRADLEY BEACH  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL IMPROVEMENT FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

BALANCE, DECEMBER 31, 2016

AND

BALANCE, DECEMBER 31, 2017

\$ 191,251.94

(There was no change during the year.)



**BOROUGH OF BRADLEY BEACH**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**AS OF DECEMBER 31, 2017 AND 2016**

	December 31,	
	<u>2017</u>	<u>2016</u>
Reserve for Roof Repairs	\$ 100,000.00	\$ 100,000.00
Reserve for Payment of Bonds	39,539.77	39,539.77
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 Manhole Resetting	<u>100,000.00</u>	<u>100,000.00</u>
	<u>\$ 391,609.77</u>	<u>\$ 391,609.77</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>2017 Authorization</u>	<u>Bond Anticipation Note Issued</u>	<u>Balance December 31, 2017</u>
17-11	Improvements to the Sanitary Sewer System	\$ 2,850,000.00	\$ 355,000.00	\$ 2,495,000.00
		<u>\$ 2,850,000.00</u>	<u>\$ 355,000.00</u>	<u>2,495,000.00</u>

**CAPITAL ASSETS**

**BOROUGH OF BRADLEY BEACH**  
**GENERAL CAPITAL ASSETS ACCOUNT**  
**COMPARATIVE STATEMENTS OF CAPITAL ASSETS**  
**AS OF DECEMBER 31, 2017 AND 2016**

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
Capital Assets:		
Land	\$ 4,978,400.00	\$ 4,978,400.00
Buildings	9,431,238.00	9,431,238.00
Equipment	2,133,107.00	2,123,613.00
Vehicles	<u>3,137,967.00</u>	<u>3,092,851.00</u>
	<u>\$ 19,680,712.00</u>	<u>\$ 19,626,102.00</u>
Investment in Capital Assets	<u>\$ 19,680,712.00</u>	<u>\$ 19,626,102.00</u>
	<u>\$ 19,680,712.00</u>	<u>\$ 19,626,102.00</u>

**STATISTICAL SECTION**

**(UNAUDITED)**

**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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government	\$ 674,004.00	\$ 905,319.64	\$ 889,529.30	\$ 995,896.62	\$ 735,700.00	\$ 824,367.13	\$ 613,565.64	\$ 579,643.92	\$ 629,843.00	\$ 526,653.76
Land Use	29,838.00	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
Code Enforcement	109,840.00	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
Insurance	1,270,867.00	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
Public Safety	2,630,188.00	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
Public Works	1,094,563.00	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
Health and Human Services	23,710.00	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
Parks and Recreation	184,884.00	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
Library	394,588.32	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
Utility Expenses and Bulk Purchases	262,550.00	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
Uniform Construction Code	99,135.00									
Deferred Charges and Statutory										
Expenditures	942,966.50	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
State and Federal Grants	54,808.71	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
Capital Improvements	346,753.00	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
Debt Service	556,894.28	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
Reserve for Uncollected Taxes	486,663.32	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
	\$ 9,162,253.13	\$ 9,371,946.50	\$ 9,160,435.70	\$ 9,203,723.97	\$ 8,625,170.68	\$ 9,553,077.53	\$ 8,038,291.54	\$ 7,700,150.43	\$ 7,758,277.54	\$ 7,449,061.24

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2017</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>
Operating	\$ 1,544,470.00	\$ 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
Capital Improvements	127,000.00	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
Debt Service	174,740.00	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
Deferred Charges and Statutory Expenditures	91,438.00	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
	<u>\$ 1,937,648.00</u>	<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>

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

Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating	\$ 1,613,101.00	\$ 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
Capital Improvements	105,950.00	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
Debt Service	311,999.00	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
Deferred Charges and Statutory Expenditures	93,000.00	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
	<u>\$ 2,124,050.00</u>	<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>\$ 1,294,986.00</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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Surplus Anticipated	\$ 785,000.00	\$ 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
Taxes (1)	7,250,782.35	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
Delinquent Taxes	151,774.00	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
Miscellaneous	1,064,248.97	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
State Aid	355,290.00	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
Grants	44,808.71	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
Nonbudget Revenues	149,443.71	53,645.02	77,531.92	40,282.93	27,639.48	97,183.41	113,105.60	38,729.49	21,617.03	26,850.35
	<u>\$ 9,801,347.74</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>

(1) Excludes tax allocated to county and school.

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

<u>Year</u>	<u>Municipal</u>	<u>Regular</u>	<u>County Open Space</u>	<u>Health</u>	<u>School</u>	<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
2017	\$ 0.604	\$ 0.264	\$ 0.016	\$ 0.005	\$ 0.525	\$ 1.414	98.76%	1.20%
2016	0.604	0.260	0.015	0.005	0.514	1.398	99.03%	0.94%
2015	0.601	0.264	0.014	0.005	0.512	1.396	98.93%	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%

Source: Tax Collector.

Note: In 2011 a Library Tax Rate was included in the Municipal Tax Rate

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

<u>Year Ended</u> <u>December 31,</u>	<u>Total</u> <u>Tax Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percentage</u> <u>of Collections</u>
2017	\$ 16,285,302.99	\$ 16,082,693.51	98.76%
2016	16,055,773.10	15,899,783.52	99.03%
2015	15,810,619.46	15,641,002.73	98.93%
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%

Source: Annual Audit Reports

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

<u>Year Ended December 31,</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 1,928.47	\$ 193,569.16	\$ 195,497.63	1.20%
2016	1,754.55	149,682.14	151,436.69	0.94%
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%

Source: 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 December 31,</u>	<u>Aggregate Assessed Valuations of Real Property</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2017	\$ 1,151,140,100	\$ 1,220,332,980	94.33%
2016	1,148,608,300	1,183,766,155	97.03%
2015	1,133,654,200	1,133,200,920	100.04%
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%

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

**BOROUGH OF BRADLEY BEACH**  
**SCHEDULE OF TEN LARGEST TAXPAYERS**  
**FOR 2017**  
**UNAUDITED**

<u>Taxpayer</u>	<u>Assessed Value - 2017</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
BB Village LLC	\$ 10,176,000	0.89%
Mariner 5 Association, LLC	3,712,400	0.32%
Bradley Driftwood, LLC	3,387,200	0.29%
Terrace Lake Apartments, LLC	3,256,700	0.28%
Bardis, Spyros & Angela	3,219,400	0.28%
Ocean Beach Apartments LLC	3,162,700	0.28%
Rega Bradley Beach LLC	3,092,400	0.27%
Mac Innes, J & Montedoro,	2,812,900	0.24%
Ocean Gate, LLC	2,713,400	0.24%
Simone Ent. LLC	<u>2,608,400</u>	<u>0.23%</u>
	<u>\$ 38,141,500</u>	<u>3.32%</u>

Source: Municipal Tax Collector.

**BOROUGH OF BRADLEY BEACH**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**  
**UNAUDITED**

Average Equalized Valuation	\$ <u>1,179,100,018.33</u>
Borrowing Margin - 3 1/2% of Average Equalized Valuation	\$ 41,268,500.64
Net Debt	<u>4,556,577.05</u>
Remaining Borrowing Power	\$ <u>36,711,923.59</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of Bradley Beach	\$ <u>11,446,437.22</u>	\$ <u>6,889,860.17</u>	\$ 4,556,577.05
Overlapping Debt Apportioned to the Municipality: County of Monmouth (1)	<u>Net Debt</u>	<u>Overlapping Percentage</u>	
	\$ 462,342,600.35	1.003893%	<u>4,641,423.92</u>
			\$ <u>9,198,000.97</u>

Source: (1) County of Monmouth Director of Finance.

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

<u>Year Ended</u> <u>December 31,</u>	<u>Borough</u> <u>Population (1)</u>	<u>Equalized</u> <u>Valuation (2)</u>	<u>Net</u> <u>Debt (3)</u>	<u>Ratio of</u> <u>Net Debt to</u> <u>Equalized</u> <u>Valuation</u>	<u>Net</u> <u>Debt Per</u> <u>Capita</u>
2017	4,298	\$ 1,220,332,980.00	\$ 10,486,577.05	0.86%	\$ 2,439.87
2016	4,298	1,183,766,155.00	7,610,363.49	0.64%	1,770.68
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	1,116,643,639.00	5,357,560.03	0.48%	1,246.52
2012	4,298	1,128,256,536.00	7,129,565.05	0.63%	1,658.81
2011	4,298	1,139,261,535.00	6,543,517.33	0.57%	1,522.46
2010	4,298	1,163,687,642.00	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

(1) Based on the 2000 U.S. Census for 2008-2009 and 2010 Census for 2010-2017.

(2) Per the State of New Jersey.

(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 December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Current Fund Governmental Fund Expenditures</u>	<u>Ratio of Debt Service to Current Fund Expenditures</u>
2017	\$ 362,864.48	\$ 193,482.16	\$ 556,346.64	\$ 9,162,253.13	6.07%
2016	978,470.97	227,232.07	1,205,703.04	9,371,946.50	12.87%
2015	1,039,421.55	286,939.46	1,326,361.01	9,160,435.70	14.48%
2014	939,739.32	263,900.72	1,203,640.04	9,203,723.97	13.08%
2013	825,196.58	292,166.72	1,117,363.30	8,625,170.68	12.95%
2012	816,630.60	297,293.42	1,113,924.02	9,553,077.53 (2)	11.66%
2011	734,606.10	307,262.84	1,041,868.94	8,038,291.54	12.96%
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%

(1) Excludes Sewer and Beach Utilities.

(2) 2012 Government 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**

Cash Receipts from Fees, Rents or Other Charges		\$ 2,037,237.42
Deductions:		
Operating and Maintenance Cost	\$ 1,635,908.00	
Debt Service	<u>67,292.82</u>	
Total Deductions		<u>1,703,200.82</u>
Excess in Revenue		<u><u>\$ 334,036.60</u></u>

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

Cash Receipts from Fees, Rents or Other Charges		\$ 2,112,548.79
Deductions:		
Operating and Maintenance Cost	\$ 1,706,101.00	
Debt Service	<u>308,147.87</u>	
Total Deductions		<u>2,014,248.87</u>
Excess in Revenue		\$ <u>98,299.92</u>

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

<u>Year Ended December 31,</u>	<u>Population</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income (1)</u>
2017	4,298	4.3%	45,084
2016	4,298	4.7%	45,084
2015	4,298	5.6%	45,084
2014	4,298	6.9%	40,976
2013	4,298	5.9%	40,624
2012	4,298	12.7%	N/A
2011	4,298	12.2%	34,802
2010	4,298	7.3%	31,307
2009	4,793	11.7%	25,438
2008	4,793	6.8%	25,438

(1) NJ Dept. of Labor & Workforce Development

**BOROUGH OF BRADLEY BEACH**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 2017**

Date of Incorporation	March 1893
Form of Government	Small Municipality
Area	0.70 square miles
Employees:	
Administrative	9
Police	18
Public Works	12
Volunteer Firemen	37
Volunteer First Aid Squad	27
Other - Part Time and Seasonal	<u>182</u>
Total Employees	<u><u>285</u></u>

Source: Borough Records.

**AUDITOR'S COMMENTS AND RECOMMENDATIONS**

**GENERAL COMMENTS**  
**DECEMBER 31, 2017**

Contracts And Agreements Required To Be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$40,000.00 due to the presence of a Qualified Purchasing Agent ("QPA"). The municipality appointed William Schmeling as their QPA for the 2017 year. Accordingly, the Borough's 2017 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. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

Volleyball Concession	Replacement of Promenade Railings
Sanitary Sewer Rehabilitation Project Phase I	

In addition, the following items were purchased under State contract or cooperative purchasing agreements:

Body Armor	Motorized Utility Cart
Uniforms	

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.

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

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2017**

Collection of Interest on Delinquent Taxes, Utility Charges and Assessments

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

The governing body, on December 13, 2016, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

RESOLVED, that in accordance with N.J.S. 54:4-67, as amended in 1970, it is hereby authorized that the rate of interest for delinquent taxes and assessments be fixed at eight percent (8%) per annum up to \$1,500.00 and eighteen percent (18%) per annum over \$1,500.00 on all delinquent taxes and sewer assessments from the date same were due and payable, and on all delinquencies in excess of \$10,000.00, a penalty pursuant to the provisions of P.L. 1991, Chapter 75, is hereby fixed in the amount of six percent (6%) of such delinquency.

The Borough ordinance establishing the rules and regulations on the Sewer Utility provides, in part, that charges not paid on the due dates shall be subjected to a rate of interest of eight percent (8%) per annum, up to \$1,500.00 and eighteen percent (18%) per annum interest over \$1,500.00.

It appears, from an examination of the Collector's records, that interest on delinquent taxes and utility charges was collected in accordance with the foregoing resolution and ordinance.

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2017 and prior years and tax title liens is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2017, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

There was a tax sale held on July 13, 2017 and the sale was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit. The following comparison is made of the number of tax title liens receivable on December 31st of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2017	10
2016	27
2015	16

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 taxpaying basis.



**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2017**

Sewer Utility Operating Fund

The Sewer Utility Operating Fund Consumer Accounts Receivable as reflected in this audit report was proven to the detail records.

Beach Utility Revenue

The revenues for Bathing Badges for seasonal, half season, daily and other were verified to the cash receipts records. The unused badges retained for audit purposes were verified to the Borough's control detail and compared to total badges purchased for sale by the Borough and to the net revenues generated, a minor overall discrepancy was noted.

Cash Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2017 and on May 31, 2018 in connection with the supplemental reconciliations.

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

The change and petty cash funds were counted.

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute. Our examination of expenditures revealed for the most part, compliance with procedures and requirements has been adhered to except for several instances of invoices dated before purchase orders.

Payroll

An examination was made of the employees' compensation records for the year 2017 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Our examination of payroll did not cover verification of the validity and reasonableness of the allocation of salaries for individuals whose job encompasses activities that relate to more than one of the Borough's operating funds or Departments.

The allocation of salaries for individuals whose duties encompass more than one fund or appropriation is done at the sole discretion of the management of the Borough. It is proper and legal to allocate salaries amongst funds as long as the duties of the individuals relate to the costs charged to the fund or appropriation.

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2017**

Miscellaneous Comments

The confirmation sent to the Local Board of Education verified that school taxes were paid during December 31, 2017.

The surety bonds covering the Chief Financial Officer/Tax Collector, the Chief Financial Officer and the Municipal Court employees were tested for adequacy of coverage and were determined to be sufficient.

The Borough's Free Public Library had a separate independent audit as of December 31, 2016 and is on file and the audit for December 31, 2017 is in process at this time.

Tourism Commission

It was brought to our attention by the present Administration that there were many instances of reimbursement to the Director for expenditures during the year related to various events sponsored by the Tourism Commission. The present practice of reimbursements must be minimized and the use of existing common Borough vendors that are utilized by the Commission and Borough should actually go through the Borough's purchasing procedures.

Interfunds

The Balance Sheets of various funds reflect Interfund Receivable/Payable as of December 31, 2017. The interfunds will be liquidated subsequent to yearend.

Construction Code Official

Our examination of the Uniform Construction Code Annual Report revealed the revenues for 2017 in accordance with the report were \$173,064.00 and expenditures were \$94,508.71. The excess of revenue over expenditure needs to be reviewed for corrective action. The statutes require that the revenue of the department be sufficient to support the expenditures.

The separate report as required by the Local Finance Board Notice #17-15 for Uniform Construction Code Fee Certificate was filed in conjunction with the issuance of this audit. It appears as though the report excluded allowable fringe benefits and allowable overhead charges, which if factored in would reduce the net excess of revenues over expenditures to a lower level.

Trust Other Reserves

The Trust Other Fund balance sheet reflects reserves for concession rentals escrow, donations, tax title lien redemptions and premiums, police officer outside employment and other miscellaneous reserves that must be monitored on an ongoing basis for accuracy.

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2017**

Miscellaneous Comments (Continued)

Technical Directives – State of New Jersey

The general ledger for 2017 was maintained in accordance with acceptable accounting control standards.

An encumbrance system for budgetary purposes was maintained during 2017.

A fixed assets detail was maintained in 2017.

Review of Procedures

It is suggested that for all financial processes that from time to time that a review, updating and documentation of all procedures be done in order to be in compliance with accounting and auditing requirements related to internal control. Cross training should be considered as part of the review. This review may be helpful in times of transition, in periods of long absences of management and clerical employees and in the ever-changing business technological environment. It should be noted that the Governing Body has the ultimate responsibility to ensure that procedures are in place.

Computerization

Internal controls require that this area be monitored to ensure no “hacking” occurs, lowering the risk of data, and Borough bank accounts, from being breached.

Other Matters

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

A formal exit conference, in accordance with governmental auditing standards generally accepted in the United States of America was held on the contents of this report.

Appreciation

I desire to express my appreciation for the cooperation received from the Borough Officials and Employees and the courtesies extended during the course of the audit.

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2017**

Follow-up on Prior Year Recommendations

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

Status: The present Administration is in the process of phasing in a full requisition system for all departments. The audit for last year was issued in late June and there was a change in Administration and as a result, implementation was delayed. The Borough is in the process of installing and phasing in a "Requisition System" which if complied with by all departments will eliminate the condition.

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

Status: Implemented (*Related to Chapter 88 payments*).

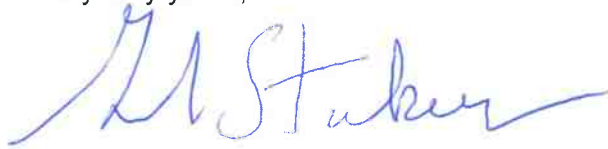
**RECOMMENDATIONS**  
**DECEMBER 31, 2017**

None.

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

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,



Gerard Stankiewicz  
Certified Public Accountant  
Registered Municipal Accountant #431  
of the Firm  
SAMUEL KLEIN AND COMPANY