

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**YEAR ENDED**

**DECEMBER 31, 2015**

***Oliwa & Company***  
Certified Public Accountants

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**Year Ended December 31, 2015**

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**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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**COUNTY OF MONMOUTH**  
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**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS**

**FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2015**

# *Oliwa & Company*

Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members  
of the Borough Council  
Borough of Oceanport  
County of Monmouth  
Oceanport, New Jersey

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and the account group of the Borough of Oceanport, County of Monmouth, State of New Jersey (the "Borough") as of December 31, 2015 and 2014, the related statement of operations and change in fund balance - regulatory basis for the years then ended, the related statement of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the Borough prepares its financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2015 and 2014, or changes in its financial position for the years then ended.

### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

The financial statements of the Length of Service Award Program (“LOSAP”) Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit, and were not engaged to audit the LOSAP Fund financial statements as part of our audit of the Borough’s financial statements. The LOSAP Fund financial activities are included in the Borough’s Trust Fund, and represent 3.68% and 3.00% of the assets and liabilities, reserves and fund balance of the Borough’s Trust Fund as of December 31, 2015 and 2014, respectively.

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

In our opinion, except for the possible effects of such adjustments, if any, of the matter discussed in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the various funds and the account group of the Borough as of December 31, 2015 and 2014, the statement of operations and change in fund balance - regulatory basis for the years then ended, the statement of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2015 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Other Matters**

Our audits were conducted for the purpose of forming opinions on the financial statements, which collectively comprise the Borough’s financial statements. The supplementary schedules and comments section as listed in the table of contents 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 are not a part of the financial statements.



### **Other Matters (Continued)**

The supplementary schedules and comments section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Except for the LOSAP Fund supplementary schedules, such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the possible effects of such adjustments, if any, had the LOSAP Fund supplementary schedules been audited, the supplementary schedules and comments section are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated August 12, 2016 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
August 12, 2016

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

To the Honorable Mayor and Members  
of the Borough Council  
Borough of Oceanport  
County of Monmouth  
Oceanport, New Jersey

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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the regulatory basis financial statements of the Borough of Oceanport, County of Monmouth, State of New Jersey (the "Borough") as of and for the year ended December 31, 2015, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated August 12, 2016, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, we expressed a qualified opinion on the regulatory basis financial statements since the Division of Local Government Services, Department of Community Affairs, State of New Jersey does not require the Length of Service Award Program Fund to be audited.

## **Internal Control Over Financial Reporting**

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

## **Internal Control Over Financial Reporting (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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
August 12, 2016

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2015 and 2014**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Cash and Cash Equivalents:			
Cash	A-4	\$6,734,286.36	\$4,907,339.74
Change Funds		300.00	300.00
Due from State of New Jersey (P.L. 1971, C. 20)	A-9	9,258.87	8,508.87
		<u>6,743,845.23</u>	<u>4,916,148.61</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	249,882.02	260,522.53
Tax Title Liens Receivable	A-6	43,272.45	38,313.82
Revenue Accounts Receivable	A-7	11,893.00	8,739.50
Property Acquired for Taxes at Assessed Valuation	A-8	3,300.00	3,300.00
Delinquent Penalties Receivable		4,966.23	3,755.21
Code Official Security Deposit	A-12	1,000.00	1,000.00
	A	<u>314,313.70</u>	<u>315,631.06</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-53)		220,000.00	
Emergency Authorization (40A:4-47)			150,000.00
		<u>220,000.00</u>	<u>150,000.00</u>
		<u>7,278,158.93</u>	<u>5,381,779.67</u>
Federal and State Grant Fund:			
Due from Current Fund	A-20	116,004.18	114,857.13
Grants Receivable	A-21	155,143.24	26,263.94
		<u>271,147.42</u>	<u>141,121.07</u>
		<u>\$7,549,306.35</u>	<u>\$5,522,900.74</u>

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2015 and 2014**

	<b><u>Ref.</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Appropriation Reserves	A-3,A-10	\$446,088.98	\$351,578.79
Reserve for Encumbrances	A-11	224,934.41	165,758.01
Prepaid Taxes	A-13	326,765.95	291,619.05
Tax Overpayments	A-14	8,903.42	
County Taxes Payable	A-15	14,940.03	18,348.07
Local School District Tax Payable	A-16	2,559,647.06	1,700,883.46
Regional High School Tax Payable	A-17	1,028,040.37	914,090.37
Various Reserves	A-18	771,818.45	315,446.41
Special Emergency Note Payable		220,000.00	
Emergency Note Payable			150,000.00
Due to Federal and State Grant Fund	A-19	116,004.18	114,857.13
Due to Open Space Trust Fund		860.34	
		<u>5,718,003.19</u>	<u>4,022,581.29</u>
Reserves for Receivables and Other Assets	A	314,313.70	315,631.06
Fund Balance	A-1	<u>1,245,842.04</u>	<u>1,043,567.32</u>
		<u>7,278,158.93</u>	<u>5,381,779.67</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-22	<u>271,147.42</u>	<u>141,121.07</u>
		<u>\$7,549,306.35</u>	<u>\$5,522,900.74</u>

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2015 and 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$963,000.00	\$1,064,000.00
Miscellaneous Revenue Anticipated	A-2	2,185,080.96	1,470,537.34
Receipts from Delinquent Taxes	A-2	266,277.74	253,566.30
Receipts from Current Taxes	A-2	21,163,162.95	20,938,515.76
Non-Budget Revenues	A-2	410,447.76	306,997.31
Other Credits to Income:			
Appropriated Reserves Cancelled	A-22	31,354.18	
Unexpended Balance of Appropriation Reserves	A-10	297,940.57	221,716.98
Total Revenue		<u>25,317,264.16</u>	<u>24,255,333.69</u>
<b><u>Expenditures</u></b>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	2,441,888.00	2,217,005.00
Other Expenses	A-3	3,085,761.00	2,852,180.00
Deferred Charges and Statutory Expenditures	A-3	422,010.00	628,328.00
Budget Appropriations Excluded from CAPS:			
Operations:			
Salaries and Wages	A-3	120,000.00	170,000.00
Other Expenses	A-3	976,292.44	557,211.20
Capital Improvements	A-3	75,000.00	75,000.00
Municipal Debt Service	A-3	967,952.47	1,018,737.41
Deferred Charges	A-3	344,097.48	130,000.00
County Taxes	A-15	3,580,315.88	3,611,994.94
Local District School Tax	A-16	8,289,330.00	8,318,863.00
Regional High School Tax	A-17	3,822,615.00	3,629,151.00
Local Open Space Tax		206,753.30	207,783.29
Grants Receivable Cancelled	A-21	25,242.00	
Prior Year Tax Overpayments	A-14	14,216.75	
Refunds and Reimbursements		515.12	6,931.45
Total Expenditures		<u>24,371,989.44</u>	<u>23,423,185.29</u>

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**

**Years Ended December 31, 2015 and 2014**

	<b><u>Ref.</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Excess in Revenue		\$945,274.72	\$832,148.40
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year(s)		<u>220,000.00</u>	<u>150,000.00</u>
Statutory Excess to Fund Balance		1,165,274.72	982,148.40
Fund Balance January 1	A	<u>1,043,567.32</u>	<u>1,125,418.92</u>
		2,208,842.04	2,107,567.32
Decreased by:			
Utilized as Anticipated Revenue	A-1,A-2	<u>963,000.00</u>	<u>1,064,000.00</u>
Fund Balance December 31	A	<u><u>\$1,245,842.04</u></u>	<u><u>\$1,043,567.32</u></u>

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	A-1	\$963,000.00		\$963,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-7	800.00		960.00	\$160.00
Other	A-7	2,800.00		3,393.00	593.00
Fees and Permits	A-7	9,094.00		30,280.92	21,186.92
Municipal Court Fines and Costs	A-7	150,000.00		177,625.16	27,625.16
Interest and Costs on Taxes	A-7	60,000.00		63,075.61	3,075.61
Interest on Investments and Deposits	A-7	1,000.00		1,446.99	446.99
Energy Receipts Tax	A-7	542,848.00		542,848.00	
Uniform Construction Code Fees	A-7	150,000.00		167,589.25	17,589.25
Municipal Court - Sea Bright	A-7	70,000.00		84,543.42	14,543.42
Drunk Driving Enforcement	A-21		\$8,156.73	8,156.73	
Clean Communities Program	A-21		13,892.53	13,892.53	
Alcohol Education and Rehabilitation Fund	A-21		1,355.46	1,355.46	
HUD Oceanport Streetscape	A-21		390,000.00	390,000.00	
Body Armor Fund	A-21		1,678.72	1,678.72	
County of Monmouth ADA Restroom Project	A-21		121,016.00	121,016.00	
NJDCA Zoning Code Enforcement Grant	A-21	60,000.00		60,000.00	
NJ Division of Highway Traffic Safety	A-21	7,050.00		7,050.00	
ANJEC Environmental Resource Inventory Project	A-21	2,600.00		2,600.00	
NJSEA - Amounts Paid and Receivable for Interest					
Due on Assessment Fund Loans	A-7	238,887.00		238,887.00	
NJSEA - Payment for Environmental Infrastructure					
Trust Fees	A-7	18,795.00		18,795.00	

See Accompanying Notes



**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Miscellaneous Revenues (continued):					
Senior Citizen Housing - In Lieu of Taxes	A-7	\$50,000.00		\$55,789.69	\$5,789.69
Reserve for FEMA Proceeds	A-7	194,097.48		194,097.48	
Total Miscellaneous Revenues	A-1	<u>1,557,971.48</u>	<u>\$536,099.44</u>	<u>2,185,080.96</u>	<u>91,010.04</u>
Receipts from Delinquent Taxes	A-1,A-2	<u>263,431.00</u>		<u>266,277.74</u>	<u>2,846.74</u>
Subtotal General Revenues		<u>2,784,402.48</u>	<u>536,099.44</u>	<u>3,414,358.70</u>	<u>93,856.78</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2,A-5	<u>5,441,707.00</u>		<u>5,694,148.77</u>	<u>252,441.77</u>
Budget Totals		<u>8,226,109.48</u>	<u>536,099.44</u>	<u>9,108,507.47</u>	<u>\$346,298.55</u>
Non-Budget Revenues	A-2			<u>410,447.76</u>	
Total		<u>\$8,226,109.48</u>	<u>\$536,099.44</u>	<u>\$9,518,955.23</u>	
	<u>Ref.</u>	A-3	A-3		

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
<b><u>Analysis of Realized Revenues</u></b>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,A-5	\$21,163,162.95
Allocated to School, County and Open Space Taxes		<u>15,899,014.18</u>
Balance for Support of Municipal Budget Appropriations		5,264,148.77
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>430,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$5,694,148.77</u></u>
<b><u>Receipts from Delinquent Taxes:</u></b>		
Delinquent Tax Collections	A-2,A-5	<u><u>\$266,277.74</u></u>
<b><u>Analysis of Non-Budget Revenues:</u></b>		
FEMA Reimbursements		\$219,747.81
Cable Franchise Fees		85,802.21
Off Duty Police Administrative Fee		33,740.97
JIF Dividend		17,359.32
Insurance Proceeds		16,505.54
Lawn Service for Board of Education		9,875.00
Board of Health		6,944.00
Monmouth County - Reimbursement of Prior Year Costs		6,339.95
Tax Collector		3,566.00
Cancellation of Prior Year Old Outstanding Checks and Balances		2,503.90
Clean Communities Reimbursements		1,835.00
State of NJ - Senior Citizen Administrative Fee		1,205.00
Permits for Special Events		1,200.00
Return of Non-Vested LOSAP Funds		1,193.40
DMV Inspection Fines		874.83
Photocopies		843.60
Miscellaneous		500.83
State of NJ - ACH Homestead Tax Bill Costs		<u>410.40</u>
	A-1,A-2,A-4	<u><u>\$410,447.76</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
General Government Functions:					
Administrative and Executive					
Salaries and Wages	\$236,500.00	\$216,500.00	\$187,769.29	\$28,730.71	
Other Expenses	110,190.00	130,190.00	119,969.98	10,220.02	
Financial Administration					
Salaries and Wages	73,533.00	63,533.00	57,564.95	5,968.05	
Other Expenses	51,200.00	52,200.00	51,912.58	287.42	
Collection of Taxes					
Salaries and Wages	44,140.00	44,140.00	43,630.32	509.68	
Other Expenses	4,015.00	5,015.00	3,798.86	1,216.14	
Liquidation of Tax Title Liens					
Other Expenses	100.00	100.00		100.00	
Tax Sale					
Other Expenses	300.00	300.00	288.00	12.00	
Assessment of Taxes					
Salaries and Wages	23,000.00	23,000.00	22,439.93	560.07	
Other Expenses	7,000.00	7,000.00	1,675.76	5,324.24	
Revaluation and Preparation of Approved Tax Maps (Emergency \$220,000.00)		220,000.00	220,000.00		
Legal Services and Costs					
Other Expenses	100,000.00	138,500.00	133,043.61	5,456.39	

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
Engineering Services and Costs					
Other Expenses	\$55,000.00	\$50,000.00	\$42,065.30	\$7,934.70	
<b>Land Use Administration:</b>					
Planning Board and Board of Adjustment					
Salaries and Wages	6,500.00	6,500.00	6,500.00		
Other Expenses	7,200.00	7,200.00	6,516.20	683.80	
Planning Fees - Land Development					
Other Expenses	60,000.00	55,000.00	45,355.31	9,644.69	
Environmental Commission					
Other Expenses	600.00	600.00		600.00	
<b>Public Safety Functions:</b>					
Municipal Court					
Salaries and Wages	65,013.00	55,013.00	55,013.00		
Other Expenses	26,050.00	23,550.00	16,603.62	6,946.38	
Public Defender					
Salaries and Wages	3,000.00	3,000.00	400.00	2,600.00	

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget after Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<u>Operations Within "CAPS"</u>					
Police Department					
Salaries and Wages	\$1,482,900.00	\$1,482,900.00	\$1,388,671.36	\$94,228.64	
Other Expenses	137,375.00	137,375.00	133,670.21	3,704.79	
Emergency Management Services					
Salaries and Wages	4,000.00	4,000.00	4,000.00		
Other Expenses	11,000.00	12,000.00	11,442.50	557.50	
First Aid Organization - Contribution	42,500.00	42,500.00	39,966.92	2,533.08	
Fire					
Other Expenses					
Miscellaneous	62,500.00	63,500.00	62,157.69	1,342.31	
Fire Hydrant Service	65,000.00	65,000.00	64,397.70	602.30	
Municipal Prosecutor					
Salaries and Wages	12,000.00	12,250.00	12,250.00		
Public Works Functions:					
Road Repairs and Maintenance					
Salaries and Wages	380,207.00	368,207.00	359,862.99	8,344.01	
Other Expenses	114,500.00	119,500.00	97,086.53	22,413.47	
Garbage and Trash Removal					
Other Expenses	154,000.00	160,500.00	157,406.63	3,093.37	

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
Public Buildings and Grounds					
Other Expenses	\$70,500.00	\$70,500.00	\$52,579.13	\$17,920.87	
Shade Tree Commission					
Other Expenses	6,500.00	6,500.00	4,900.00	1,600.00	
Recycling					
Other Expenses	29,000.00	35,000.00	31,616.63	3,383.37	
<b>Health and Human Services:</b>					
Board of Health					
Salaries and Wages	2,785.00	2,785.00	2,785.00		
Other Expenses	100.00	100.00	100.00		
Bloodborne Pathogens					
Other Expenses	500.00	500.00		500.00	
Water Watch Committee					
Other Expenses	2,500.00	2,500.00	2,149.29	350.71	
<b>Parks and Recreation Functions:</b>					
Recreation and Education					
Salaries and Wages	12,500.00	12,500.00	12,240.00	260.00	
Other Expenses	17,965.00	17,965.00	16,350.63	1,614.37	
Senior Citizen Committee					
Other Expenses	2,000.00	2,000.00	2,000.00		

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
Insurance Functions:					
Insurance					
General Liability	\$120,500.00	\$120,500.00	\$116,376.90	\$4,123.10	
Worker Compensation	110,000.00	110,000.00	109,674.10	325.90	
Employee Group Health	853,871.00	833,871.00	766,157.96	67,713.04	
Health Benefits Waiver	24,500.00	24,500.00	23,766.16	733.84	
Dental	50,000.00	50,000.00	47,509.90	2,490.10	
Education:					
Expenses in Participation in Free County Library					
Salaries and Wages	2,000.00	2,000.00	1,771.88	228.12	
Other Expenses	2,500.00	2,500.00	1,483.41	1,016.59	
Transportation of High School Students					
Other Expenses	15,000.00	15,000.00	10,477.89	4,522.11	
Other Common Operating Functions:					
Salary Adjustment Account	10,000.00	10,000.00	2,987.37	7,012.63	
Celebration of Public Events					
Other Expenses	1,500.00	1,500.00	948.84	551.16	
State Uniform Construction Code					
Salaries and Wages	134,500.00	129,500.00	122,836.13	6,663.87	
Other Expenses	6,000.00	6,000.00	4,907.63	1,092.37	
Code Enforcement					
Salaries and Wages	5,810.00	6,060.00	5,930.04	129.96	
Other Expenses	1,500.00	500.00	383.14	116.86	

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
Utility Expenses and Bulk Purchases:					
Street Lighting	\$76,000.00	\$76,000.00	\$52,309.33	\$23,690.67	
Gasoline	73,000.00	73,000.00	58,000.00	15,000.00	
Electricity	50,000.00	52,000.00	41,280.59	10,719.41	
Telephone	23,000.00	23,000.00	16,756.41	6,243.59	
Water and Sewer	11,500.00	13,500.00	11,146.77	2,353.23	
Natural Gas	24,000.00	26,000.00	21,650.83	4,349.17	
Landfill/Solid Waste Disposal Costs:					
Tipping Fees	210,000.00	214,000.00	206,120.13	7,879.87	
NJ Environmental Infrastructure Trust:					
Administrative Fees	<u>18,795.00</u>	<u>18,795.00</u>	<u>18,795.00</u>		
Total Operations - Within "CAPS"	<u>5,307,649.00</u>	<u>5,527,649.00</u>	<u>5,111,450.33</u>	<u>416,198.67</u>	
Detail:					
Salaries and Wages	2,498,388.00	2,441,888.00	2,286,652.26	155,235.74	
Other Expenses (including Contingent)	<u>2,809,261.00</u>	<u>3,085,761.00</u>	<u>2,824,798.07</u>	<u>260,962.93</u>	

See Accompanying Notes



**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
Deferred Charges and Statutory Expenditures Within "CAPS"					
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System of N.J.	\$90,000.00	\$90,000.00	\$86,323.00	\$3,677.00	
Social Security System (O.A.S.I.)	112,000.00	112,000.00	111,160.17	839.83	
Police and Firemen's Retirement System of N.J.	220,000.00	220,000.00	217,802.00	2,198.00	
Defined Contribution Retirement Program	10.00	10.00		10.00	
Deferred Charges and Statutory Expenditures Within "CAPS"	<u>422,010.00</u>	<u>422,010.00</u>	<u>415,285.17</u>	<u>6,724.83</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>5,729,659.00</u>	<u>5,949,659.00</u>	<u>5,526,735.50</u>	<u>422,923.50</u>	
Operations Excluded from "CAPS"					
Hurricane Sandy - Additional Costs	250,000.00	250,000.00	226,834.52	23,165.48	
Length of Service Awards Program	70,000.00	70,000.00	70,000.00		
Employee Group Health	26,129.00	26,129.00	26,129.00		
Total Other Operations - Excluded from "CAPS"	<u>346,129.00</u>	<u>346,129.00</u>	<u>322,963.52</u>	<u>23,165.48</u>	
Interlocal Municipal Service Agreements					
Municipal Court - Sea Bright					
Salaries and Wages	65,000.00	65,000.00	65,000.00		
Police Dispatch - West Long Branch					
Salaries and Wages	55,000.00	55,000.00	55,000.00		
Total Interlocal Municipal Service Agreements	<u>120,000.00</u>	<u>120,000.00</u>	<u>120,000.00</u>		

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after</u></b>	<b><u>Paid or</u></b>	<b><u>Reserved</u></b>	<b><u>Balance</u></b>
		<b><u>Modification</u></b>	<b><u>Charged</u></b>		<b><u>Canceled</u></b>
<b><u>Operations Excluded from "CAPS"</u></b>					
Public and Private Programs Offset by Revenues					
Drunk Driving Enforcement (40A:4-87, \$8,156.73)		\$8,156.73	\$8,156.73		
Clean Communities Grant (40A:4-87, \$13,892.53)		13,892.53	13,892.53		
County of Monmouth ADA Restroom					
Project (40A:4-87, \$121,016.00)		121,016.00	121,016.00		
Body Armor Fund (40A:4-87, \$1,678.72)		1,678.72	1,678.72		
Municipal Alcohol Education/Rehabilitation Program					
Program (40A:4-87, \$1,355.46)		1,355.46	1,355.46		
HUD Oceanport Streetscape (40A:4-87, \$390,000.00)		390,000.00	390,000.00		
Direct Install Program Match	\$24,414.00	24,414.00	24,414.00		
NJDCA Zoning Code Enforcement	60,000.00	60,000.00	60,000.00		
Drive Sober or Get Pulled Over	7,050.00	7,050.00	7,050.00		
Environmental Resource Inventory Project	2,600.00	2,600.00	2,600.00		
Total Public and Private Programs Offset by Revenues	94,064.00	630,163.44	630,163.44		
Total Operations - Excluded from "CAPS"	560,193.00	1,096,292.44	1,073,126.96	\$23,165.48	
Detail:					
Salaries and Wages	120,000.00	120,000.00	120,000.00		
Other Expenses	440,193.00	976,292.44	953,126.96	23,165.48	

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<u>Capital Improvements - Excluded from "CAPS"</u>					
Capital Improvement Fund	\$75,000.00	\$75,000.00	\$75,000.00		
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	663,000.00	663,000.00	663,000.00		
Interest on Bonds	397,188.00	397,188.00	277,980.49		\$119,207.51
Green Trust Loan Program - Loan Repayments for Principal and Interest	26,972.00	26,972.00	26,971.98		0.02
Total Municipal Debt Service Excluded from "CAPS"	1,087,160.00	1,087,160.00	967,952.47		119,207.53
<u>Deferred Charges Excluded from "CAPS"</u>					
Deferred Charges:					
Emergency Authorizations	150,000.00	150,000.00	150,000.00		
Reimbursement of FEMA Overpayment	194,097.48	194,097.48	194,097.48		
Total Deferred Charges Excluded from "CAPS"	344,097.48	344,097.48	344,097.48		
Total General Appropriations Excluded from "CAPS"	2,066,450.48	2,602,549.92	2,460,176.91	\$23,165.48	119,207.53
Subtotal General Appropriations	7,796,109.48	8,552,208.92	7,986,912.41	446,088.98	119,207.53
Reserve for Uncollected Taxes	430,000.00	430,000.00	430,000.00		
Total General Appropriations	<u>\$8,226,109.48</u>	<u>\$8,982,208.92</u>	<u>\$8,416,912.41</u>	<u>\$446,088.98</u>	<u>\$119,207.53</u>

**Ref.**

A-2

A-1

A, A-1

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>	<b><u>Budget after Modification</u></b>
Budget	A-3	\$8,226,109.48
Appropriation by 40A:4-87	A-2	536,099.44
Special Emergency Appropriation 40A:4-53		220,000.00
		<u>\$8,982,208.92</u>
	<b><u>Ref.</u></b>	<b><u>Paid or Charged</u></b>
Disbursements	A-4	\$6,567,717.08
Reserve for Encumbrances	A-11	224,934.41
Appropriated Reserves for Federal and State Grants	A-20,A-22	630,163.44
Reserve for Revaluation and Preparation of Tax Maps	A-18	220,000.00
Deferred Charges:		
Emergency Authorizations		150,000.00
Reimbursement of FEMA Overpayment	A-18	194,097.48
Reserve for Uncollected Taxes	A-2	430,000.00
		<u>\$8,416,912.41</u>

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2015 and 2014**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Assessment Fund:			
Cash and Cash Equivalents	B-1	\$165,537.05	\$165,537.05
Assessments Receivable	B-9	<u>18,077,237.11</u>	<u>20,477,797.39</u>
		<u>18,242,774.16</u>	<u>20,643,334.44</u>
Animal Control Fund:			
Cash and Cash Equivalents	B-1	<u>6,763.68</u>	<u>6,240.03</u>
Open Space Fund:			
Cash and Cash Equivalents	B-1	97,578.38	288,708.79
Due from Current Fund	B-5	860.34	
Investments - Note Receivable			<u>150,000.00</u>
		<u>98,438.72</u>	<u>438,708.79</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-1	778,517.60	764,875.02
Due from Payroll Fund			<u>75,000.00</u>
		<u>778,517.60</u>	<u>839,875.02</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	B-7	<u>731,054.94</u>	<u>677,313.82</u>
		<u>\$19,857,549.10</u>	<u>\$22,605,472.10</u>

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2015 and 2014**

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Assessment Fund:			
New Jersey Environmental Infrastructure Trust Loan	B-10	\$5,465,000.00	\$5,745,000.00
New Jersey Department of Environmental Protection Fund Loan	B-11	<u>12,777,774.16</u>	<u>14,898,334.44</u>
		<u>18,242,774.16</u>	<u>20,643,334.44</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	<u>6,763.68</u>	<u>6,240.03</u>
Open Space Fund:			
Reserve for Open Space	B-4	<u>98,438.72</u>	<u>438,708.79</u>
Other Trust Fund:			
Various Reserves	B-6	<u>778,517.60</u>	<u>839,875.02</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Award Program Fund	B-8	<u>731,054.94</u>	<u>677,313.82</u>
		<u>\$19,857,549.10</u>	<u>\$22,605,472.10</u>

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2015 and 2014**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Cash and Cash Equivalents	C-2	\$957,184.43	\$767,600.82
Due from New Jersey Environmental Infrastructure Financing Program	C-17	1,503,119.00	1,503,119.00
Deferred Charges to Future Taxation:			
Funded	C-4	4,150,606.79	4,926,522.32
Unfunded	C-5	3,085,921.00	2,185,221.00
Ordinance Appropriation to be Funded	C-6	111.08	
Leased Assets under Capital Leases		389,000.00	
Grants Receivable	C-6	773,731.97	297,881.24
		<u>\$10,859,674.27</u>	<u>\$9,680,344.38</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Serial Bonds	C-11	\$3,965,000.00	\$4,718,000.00
Green Trust Loans Payable	C-13	185,606.79	208,522.32
Bond Anticipation Note	C-15	795,700.00	
Lease Obligations Payable	C-16	389,000.00	
Improvement Authorizations:			
Funded	C-10	1,887,031.71	2,494,542.78
Unfunded	C-10	3,084,210.49	2,185,221.00
Capital Improvement Fund	C-12	48,414.55	25,380.50
Accrued Interest on Bonds	C-9	3,478.24	3,478.24
Reserve for:			
Grants Receivable		390,000.00	
Encumbrances	C-8,C-10	84,079.22	18,046.27
Payment of Bonds	C-7	6,801.49	6,801.49
Fund Balance	C-1	20,351.78	20,351.78
		<u>\$10,859,674.27</u>	<u>\$9,680,344.38</u>

There were bonds and notes authorized but not issued of \$2,290,221.00 on December 31, 2015 and \$2,185,221.00 on December 31, 2014. (Schedule C-14)

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2015 and 2014**

	<b><u>Ref.</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Balance, January 1	C	\$20,351.78	\$20,351.78
Increased/Decreased by:		<u>-</u>	<u>-</u>
Balance, December 31	C	<u><u>\$20,351.78</u></u>	<u><u>\$20,351.78</u></u>

See Accompanying Notes



**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2015 and 2014**

	<b><u>Ref.</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b><u>Assets</u></b>			
General Fixed Assets:			
Land and Buildings		\$5,331,397.95	\$4,597,276.00
Machinery and Equipment		3,871,121.84	3,852,267.04
		<u>\$9,202,519.79</u>	<u>\$8,449,543.04</u>
<b><u>Liabilities and Reserves</u></b>			
Investment in General Fixed Assets	D-1	<u>\$9,202,519.79</u>	<u>\$8,449,543.04</u>

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PAYROLL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	<u>\$31,819.23</u>	<u>\$100,518.72</u>
<b><u>Liabilities</u></b>		
Reserve for Expenditures	\$31,819.23	\$25,518.72
Due to Other Trust Fund		75,000.00
	<u>\$31,819.23</u>	<u>\$100,518.72</u>

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PUBLIC ASSISTANCE FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2015 and 2014**

	<b><u>2015</u></b>	<b><u>2014</u></b>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	<b><u>\$5,000.00</u></b>	<b><u>\$5,000.00</u></b>
<b><u>Liabilities and Reserves</u></b>		
Reserve for Public Assistance	<b><u>\$5,000.00</u></b>	<b><u>\$5,000.00</u></b>

See Accompanying Notes

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2015**

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

**A.     Reporting Entity**

The financial statements of the Borough of Oceanport, County of Monmouth, State of New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the school boards, first aid squad or volunteer fire department, which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of a local governmental entity, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2015.

**B.     Descriptions of Funds**

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

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**Current Fund** - used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Animal Control Fund** - used to record animal license revenues and expenditures.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Descriptions of Funds (continued)**

**Assessment Fund** - used to record transactions relative to the financing of local improvements deemed to benefit the properties against which assessments are levied.

**Other Trust Fund** - used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

**Length of Service Award Program Fund** - used to record Borough contributions, changes in market value and administrative charges for program-eligible volunteers.

**Open Space Fund** - used to record receipts and disbursements relative to open space acquisition and maintenance.

**General Capital Fund** - used to record resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

**Public Assistance Fund** - used to record receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

**Payroll Fund** - used to record payroll related transactions.

**General Fixed Assets Account Group** - used to record fixed assets utilized in general government operations.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

**Property Taxes and Other Revenues** - Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant Revenues** - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Accounting (continued)**

**Expenditures** - Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Encumbrances** - Contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

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

**Deferred Charges** - The regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

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

**Property Acquired for Taxes** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

**Interfunds** - Advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Accounting (continued)**

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

**Sale of Municipal Assets** - Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period when the terms of the sales contract become legally enforceable.

**General Fixed Assets** – In accordance with N.J.A.C. 5:30-5.6, issued by the Local Finance Board, Department of Community Affairs, State of New Jersey, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

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

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

**D. Financial Statements**

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

**E. Budgets and Budgetary Accounting**

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

**Deposits**

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 by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that 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 seventy-five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy-five 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.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2015 and 2014 the Borough's bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Uninsured and Uncollateralized	\$270,085.34	\$486,075.37
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>7,639,394.36</u>	<u>5,408,649.80</u>
	<u>\$7,909,479.70</u>	<u>\$5,894,725.17</u>

In addition, as of December 31, 2015 and 2014, the Borough had \$640,383.72 and \$639,731.50, respectively, on deposit in the New Jersey Cash Management Fund (the "Fund"). These deposits are subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund.



**NOTE 2.     CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)**

**Investments**

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, and as further regulated and restricted in accordance with N. J. S. 40A: 5-15.1, the Borough may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered, in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a GUDPA bank;
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

Credit Risk - State law limits investments as described in prior sections of this note to the financial statements and during the years ended December 31, 2015 and 2014 the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy for interest rate risk.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)****Investments (continued)**

Custodial Credit Risk - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Borough does not have a formal investment policy for custodial credit risk. Length of Service Award Program investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Borough. The fair value and book value of the Borough's Length of Service Award Program investments as reported on December 31, 2015 and 2014 were \$731,054.94 and \$667,313.82 respectively.

As of December 31, 2015 the Borough had no investments, and as of December 31, 2014 the Borough's investments were comprised of a note receivable consisting of a loan by the Borough's open space fund to the Borough's current fund for \$150,000.00. As of December 31, 2014, the fair value and book value of the Borough's investments was \$150,000.00.

**NOTE 3. FIXED ASSETS**

Fixed assets activity for the years ended December 31, 2015 and 2014 was as follows:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Land and Buildings	\$4,597,276.00	\$734,121.95		\$5,331,397.95
Machinery and Equipment	3,852,267.04	22,854.80	\$4,000.00	3,871,121.84
	<u>\$8,449,543.04</u>	<u>\$756,976.75</u>	<u>\$4,000.00</u>	<u>\$9,202,519.79</u>
	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Land and Buildings	\$4,623,741.00		\$26,465.00	\$4,597,276.00
Machinery and Equipment	3,527,452.25	\$348,504.79	\$23,690.00	3,852,267.04
	<u>\$8,151,193.25</u>	<u>\$348,504.79</u>	<u>\$50,155.00</u>	<u>\$8,449,543.04</u>

#### **NOTE 4. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the regulatory 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 (the "notes") are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

##### **A. Long -Term Debt**

The Borough's long-term bonded debt is summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate(s)</u>	<u>Balance Dec. 31, 2015</u>
General Improvements	09/01/05	\$2,849,000.00	3.625%-3.75%	\$850,000.00
General Improvements	12/13/07	803,000.00	5.00%	108,000.00
General Improvements	12/04/08	1,043,000.00	4.00%	157,000.00
General Improvements	01/24/11	795,000.00	2.75%-5.00%	515,000.00
General Improvements	12/29/11	395,000.00	5.00%	235,000.00
Open Space	04/24/12	470,000.00	4.00%	290,000.00
General Improvements	12/10/13	605,000.00	4.00%-5.00%	515,000.00
General Improvements	12/09/14	790,000.00	3.00%-5.00%	735,000.00
Open Space	12/09/14	585,000.00	3.00%-5.00%	560,000.00
				<u>\$3,965,000.00</u>

Long-term bonded debt service requirements are as follows:

<u>General Capital Fund</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$710,000.00	\$171,830.00	\$881,830.00
2017	645,000.00	143,437.50	788,437.50
2018	585,000.00	116,787.50	701,787.50
2019	605,000.00	92,500.00	697,500.00
2020	325,000.00	67,450.00	392,450.00
2021-2025	855,000.00	156,125.00	1,011,125.00
2026-2030	240,000.00	36,750.00	276,750.00
	<u>\$3,965,000.00</u>	<u>\$784,880.00</u>	<u>\$4,749,880.00</u>

**NOTE 4. DEBT (continued)****A. Long -Term Debt (continued)****Green Trust Loans**

The Borough's Green Trust loans are summarized as follows:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Loan</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
Horseneck Point Acquisition	1999	\$151,250.00	2.00%	\$31,640.03
Multi-Parks Development	2005	247,299.54	2.00%	132,449.70
Multi-Parks Development	2006	35,200.46	2.00%	21,517.06
				<u>\$185,606.79</u>

Green Trust Loans debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$23,376.12	\$3,595.84	\$26,971.96
2017	23,845.99	3,125.98	26,971.97
2018	24,325.28	2,646.68	26,971.96
2019	20,111.61	2,157.74	22,269.35
2020	15,772.23	1,800.52	17,572.75
2021-2025	76,019.09	4,119.75	80,138.84
2026	2,156.47	32.40	2,188.87
	<u>\$185,606.79</u>	<u>\$17,478.91</u>	<u>\$203,085.70</u>

**New Jersey Environmental Infrastructure Trust and New Jersey Department of Environmental Protection Fund Loans**

In 2009 the Borough issued special assessment bonds to evidence the payment obligations of the Borough in consideration of loans made to the Borough by the New Jersey Environmental Infrastructure Trust (\$6,265,000.00) and the New Jersey Department of Environmental Protection (\$16,884,779.00). A special assessment agreement has been executed between the Borough and New Jersey Sports and Exposition Authority (the "NJSEA"). At the request of the NJSEA, and agreed to by the Borough, certain public improvements to Monmouth Park Racetrack will be funded solely from loans (the "Loans") made to the Borough from the New Jersey Environmental Infrastructure Trust and the New Jersey Department of Environmental Protection. In order to further secure the Loans and the special assessment bonds, and to recover costs incurred by the Borough in connection with the issuance of the special assessment bonds and the undertaking of the public improvements, the Borough has imposed a special assessment, to be paid by the NJSEA, to be used by the Borough to repay the Loans. The Borough is ultimately responsible for the repayment of these Loans.

**NOTE 4. DEBT (continued)****A. Long -Term Debt (continued)****New Jersey Environmental Infrastructure Trust and New Jersey Department of Environmental Protection Fund Loans (continued)**

The Loans are summarized as follows:

<u>Issuer</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate(s)</u>	<u>Balance Dec. 31, 2015</u>
New Jersey Environmental Infrastructure Trust Loan	12/02/09	\$6,265,000.00	3.50%-5.00%	\$5,465,000.00
New Jersey Department of Environmental Protection Fund Loan	12/02/09	16,884,779.00	0.00%	12,777,774.16
				<u>\$18,242,774.16</u>

Debt service requirements on the Loans are as follows:

<u>Year</u>	<u>Assessment Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$1,288,222.28	\$224,887.50	\$1,513,109.78
2017	1,298,222.28	210,137.50	1,508,359.78
2018	1,318,222.28	194,887.50	1,513,109.78
2019	1,333,222.28	178,637.50	1,511,859.78
2020	1,343,222.28	165,037.50	1,508,259.78
2021-2025	6,941,111.40	608,887.50	7,549,998.90
2026-2029	4,720,551.36	191,200.00	4,911,751.36
	<u>\$18,242,774.16</u>	<u>\$1,773,675.00</u>	<u>\$20,016,449.16</u>

**NOTE 4. DEBT (continued)****A. Long -Term Debt (continued)**

Long-term debt transactions for the years ended December 31, 2015 and 2014 are summarized as follows:

	Balance Dec. 31, 2014	Additions	Deductions	Balance Dec. 31, 2015
General Capital Fund:				
General Serial Bonds	\$4,718,000.00		\$753,000.00	\$3,965,000.00
Green Trust Loans	208,522.32		22,915.53	185,606.79
Assessment Fund:				
New Jersey Environmental Infrastructure Trust Loan	5,745,000.00		280,000.00	5,465,000.00
New Jersey Department of Environmental Protection Fund Loan	14,898,334.44		2,120,560.28	12,777,774.16
	<u>\$25,569,856.76</u>	<u>-</u>	<u>\$3,176,475.81</u>	<u>\$22,393,380.95</u>
	Balance Dec. 31, 2013	Additions	Deductions	Balance Dec. 31, 2014
General Capital Fund:				
General Serial Bonds	\$3,994,000.00	\$1,375,000.00	\$651,000.00	\$4,718,000.00
Green Trust Loans	230,986.32		22,464.00	208,522.32
Assessment Fund:				
New Jersey Environmental Infrastructure Trust Loan	6,010,000.00		265,000.00	5,745,000.00
New Jersey Department of Environmental Protection Fund Loan	15,891,556.72		993,222.28	14,898,334.44
	<u>\$26,126,543.04</u>	<u>\$1,375,000.00</u>	<u>\$1,931,686.28</u>	<u>\$25,569,856.76</u>

**B. Short -Term Debt****Emergency Note - Current Fund**

On December 22, 2014 the Borough's current fund issued an emergency note of \$150,000.00 to the Borough's open space fund in order to fund emergency appropriations. The emergency note matured on January 30, 2015 and was funded in the 2015 current fund budget.

**Special Emergency Note - Current Fund**

On November 6, 2015 the Borough issued a special emergency note of \$220,000.00 at an interest rate of 1.15% per annum in order to provide funding for the revaluation of real property and the preparation of approved tax maps. All special emergency note principal with interest thereon is due on November 4, 2016.

**NOTE 4. DEBT (continued)****B. Short -Term Debt****Bond Anticipation Note - General Capital Fund**

On November 6, 2015 the Borough issued a bond anticipation note of \$795,700.00 at an interest rate of 1.15% per annum in order to provide funding for various capital improvements. All bond anticipation note principal with interest thereon is due on November 4, 2016.

Short-term debt transactions for the years ended December 31, 2015 and 2014 are summarized as follows:

	Balance Dec. 31, 2014	Additions	Deductions	Balance Dec. 31, 2015
Current Fund:				
Emergency Note	\$150,000.00		\$150,000.00	
Special Emergency Note		\$220,000.00		\$220,000.00
General Capital Fund:				
Bond Anticipation Note		795,700.00		795,700.00
	<u>\$150,000.00</u>	<u>\$1,015,700.00</u>	<u>\$150,000.00</u>	<u>\$1,015,700.00</u>
	Balance Dec. 31, 2013	Additions	Deductions	Balance Dec. 31, 2014
Current Fund:				
Emergency Note	<u>\$130,000.00</u>	<u>\$150,000.00</u>	<u>\$130,000.00</u>	<u>\$150,000.00</u>

**C. Bonds and Notes Authorized but not Issued**

At December 31, 2015 and 2014 the Borough had authorized but not issued bonds and notes as follows:

	Balance Dec. 31, 2015	Balance Dec. 31, 2014
General Capital Fund	\$2,290,221.00	\$2,185,221.00

**NOTE 5. TAXES COLLECTED IN ADVANCE**

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

	Balance December 31,	
	2015	2014
Prepaid Taxes	\$326,765.95	\$291,619.05

**NOTE 6.     DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. In accordance with New Jersey Statutes the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

**NOTE 7.     FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2015 and 2014, which were appropriated and included as anticipated revenue in the current fund budget for the years ending December 31, 2016 and 2015 were as follows:

For the year ended December 31, 2016,

Current Fund	\$746,000.00
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For the year ended December 31, 2015,

Current Fund	\$963,000.00
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**NOTE 8.     ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor in each year and filed with the County Board of Taxation. Upon the filing of certified adopted budgets by the Borough, Local School District, Regional School District and County, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Borough is responsible for remitting one hundred percent of the school and county to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school districts or county.



## **NOTE 9.     PENSION PLANS**

### **Description of Systems**

The Borough contributes to the Public Employees' Retirement System ("PERS"), and the Police and Firemen's Retirement System ("PFRS"), cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions and Benefits in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

### **Funding Policy**

PERS employee contributions were 6.92% of base wages through June 30, 2015. Effective July 1, 2015 PERS employee contributions were 7.06% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually. Contributions to the plans for the past three years were as follows:

### **Defined Contribution Retirement Program**

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are five and one-half percent (5.50%) of base wages. Member contributions are matched by a three percent (3.00%) employer contribution.

### **Unfunded Pension Liability**

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2015. As of the date of this report, the State of New Jersey has not allocated any unfunded net pension liability to the municipality and the amount to disclose in the notes to the financial statements is not presently known, but is probably material.

## NOTE 9. PENSION PLANS (CONTINUED)

### Public Employees Retirement System (PERS)

At June 30, 2015, the State reported a net pension liability of \$2,343,336.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. 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 employers, actuarially determined.

At June 30, 2015, the Borough's proportion was 0.0104389531 percent, which was a decrease of 0.0010206807 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$128,265.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statement based on the April 1, 2015 billing was \$86,323.00.

### Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. These actuarial valuations used the following assumptions:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases (based on age)		
2012-2021	2.15% - 4.40%	2.15% - 4.40%
Thereafter (based on age)	2.15% - 4.40%	3.15% - 5.40%
Investment Rate of Return	7.90%	7.90%

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

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

**NOTE 9. 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 is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 and June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	<u>Target</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>	<u>Target</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bond			1.00%	2.49%
Intermediate Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad U.S. Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Markets	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Returns	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Global Debt ex US	3.50%	-0.40%		
REIT	4.25%	5.12%		
	<u>100.00%</u>		<u>100.00%</u>	

## NOTE 9. PENSION PLANS (CONTINUED)

### Public Employees Retirement System (PERS) (Continued)

#### Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

#### Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, 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 (3.90%) or 1 percentage point higher (5.90%) than the current rate:

	June 30, 2015		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
Borough's proportionate share of the pension liability	\$2,912,480.00	\$2,343,336.00	\$1,866,170.00

#### 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).

## NOTE 9. PENSION PLANS (CONTINUED)

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

At June 30, 2015, the State reported a net pension liability of \$5,093,751.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. 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 employers, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0305811333 percent, which was a decrease of 0.0079689735 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$338,576.00. The pension expense recognized in the Borough's financial statement based on the April 1, 2015 billing was \$217,802.00.

### Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases (based on age)		
2012-2021	2.60% - 9.48%	3.95% - 8.62%
Thereafter (based on age)	3.60% - 10.48%	4.95% - 9.62%
Investment Rate of Return	7.90%	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

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

**NOTE 9. PENSION PLANS (CONTINUED)****Police and Firemen's Retirement System (PFRS) (Continued)****Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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 rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 and June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	<u>Target</u> <u>Allocation</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>	<u>Target</u> <u>Allocation</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bond			1.00%	2.49%
Intermediate Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad U.S. Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Markets	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Returns	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Global Debt ex US	3.50%	-0.40%		
REIT	4.25%	5.12%		
	<u>100.00%</u>		<u>100.00%</u>	

## NOTE 9. PENSION PLANS (CONTINUED)

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

#### Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

#### Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, 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 (4.79) or 1 percentage point higher (6.79%) than the current rate:

	June 30, 2015		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.79%</u>	<u>5.79%</u>	<u>6.79%</u>
Borough's proportionate share of the pension liability	\$6,715,181.00	\$5,093,751.00	\$3,771,620.00

#### 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.

**NOTE 10. SCHOOL TAXES**

Regulations provide for deferral of not more than fifty percent 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 and regional school taxes on a school year basis and has elected to defer these taxes at December 31, 2015 and 2014 as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Balance of tax	\$4,144,769.03	\$3,286,005.43	\$1,928,512.00	\$1,814,562.00
Deferred	1,585,121.97	1,585,121.97	900,471.63	900,471.63
Tax Payable	<u>\$2,559,647.06</u>	<u>\$1,700,883.46</u>	<u>\$1,028,040.37</u>	<u>\$914,090.37</u>

**NOTE 11. UNEMPLOYMENT COMPENSATION INSURANCE**

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self- insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserves for unemployment compensation insurance at December 31, 2015, 2014 and 2013 were \$39,319.03, \$25,834.88 and \$25,034.61, respectively.

**NOTE 12. INTERFUND BALANCES**

The balances of interfund receivables and payables at December 31, 2015 and 2014 are as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<u>Receivables</u>		
Federal and State Grant Fund	\$116,004.18	\$114,857.13
Open Space Trust Fund	860.34	
Other Trust Fund		75,000.00
	<u>\$116,864.52</u>	<u>\$189,857.13</u>
<u>Payables</u>		
Current Fund	\$116,864.52	\$114,857.13
Payroll Fund		75,000.00
	<u>\$116,864.52</u>	<u>\$189,857.13</u>

All balances resulted from the time lag between the dates that payments between funds were made.



**NOTE 13. ACCRUED UNPAID SICK PAY BENEFITS - UNAUDITED**

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick pay. The Borough permits its employees to accumulate unused sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2015 and 2014 were \$396,102.88 and \$278,699.83, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 14. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts, theft and damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough is a member of the Monmouth Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation, and is sustained through member premiums. In addition, the Fund participates in the Municipal Excess Liability Program Joint Insurance Fund which has a contract for excess liability insurance for property. There were no settlements in excess of insurance coverage in the past three years.

**NOTE 15. DEFERRED COMPENSATION**

The Borough has adopted a Deferred Compensation Plan (the "Plan") in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey. The Plan enables the Borough's employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

**NOTE 16. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

At December 31, 2015 and 2014, the following deferred charges were reflected on the balance sheet of the current fund:

	Balance Dec. 31, 2015	2016 Budget Appropriation	Balance to Succeeding Budgets
Special Emergency Authorization (40A:4-53)	<u>\$220,000.00</u>	<u>\$44,000.00</u>	<u>\$176,000.00</u>
	Balance Dec. 31, 2014	2015 Budget Appropriation	Balance to Succeeding Budgets
Emergency Authorization (40A:4-47)	<u>\$150,000.00</u>	<u>\$150,000.00</u>	<u>-</u>

The appropriations in the 2016 and 2015 budgets were not less than required by statute.

## **NOTE 17. POSTEMPLOYMENT RETIREMENT BENEFITS**

In addition to the pension benefits described in Note 9, the Borough provides postemployment retirement health and dental coverage for employees who meet certain service requirements. Benefits consist of full medical and dental coverage and costs are reported as they are paid.

### **Plan Description**

The Borough has a single-employer defined benefit healthcare plan with Horizon Blue Cross and Blue Shield of New Jersey (the "Fund"). The Borough provides medical, prescription and dental benefits to retirees and their spouses that meet certain eligibility requirements.

### **Funding Policy**

The Borough's funding policy is to pay as you go.

### **Annual OPEB Cost and Net OPEB Obligation**

The Borough's annual other post employment benefits ("OPEB") cost is calculated based on the annual required contribution ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The following summarizes the Borough's annual OPEB cost for the year, the amount actually contributed, and changes in the Borough's net OPEB obligation:

January 1, 2015 Net OPEB Obligation	\$3,404,655.68
Plus: Annual OPEB Cost	<u>989,750.00</u>
	4,394,405.68
Less: Borough contributions	<u>(419,051.52)</u>
December 31, 2015 Net OPEB Obligation	<u><u>\$3,975,354.16</u></u> *

\* In accordance with accounting principles and practices prescribed by the Division, the net OPEB obligation amount is not reported as an expenditure or liability in the accompanying financial statements.

### **Funding Status and Funding Progress**

The funded status of the Fund was as follows:

Actuarial accrued liability**	\$13,896,561.00
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability	<u>\$13,896,561.00</u>
Funded ratio	0%

\*\* represents accrued liability at December 31, 2015; In accordance with GASB Statement 45, the accrued liability is to be actuarially recalculated at least triennially.

**NOTE 17. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)****Funding Status and Funding Progress (continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive Plan (the plan as understood by the employer and plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial valuation utilized the projected unit credit funding method. The actuarial assumptions included an initial annual medical cost trend rate of 8.00%, reduced by decrements to an ultimate rate of 5.00% in 2020. The trend rate for dental benefits is 5.00%. The amortization cost for the unfunded actuarial accrued liability is on a straight line basis, for a period of thirty years.

**NOTE 18. LEASE OBLIGATION PAYABLE**

The Borough participates in the Capital Equipment Lease Program of the Monmouth County Improvement Authority (the "Authority"). The Authority has issued revenue bonds in which the Borough pays the debt service as part of the lease agreement. The minimum lease payments are raised annually in the Borough's current fund budget. The Borough's lease obligation payable is summarized as follows:

<u>Purpose</u>	<u>Issue</u>	<u>Issue</u>	<u>Rates</u>	<u>Dec. 31, 2015</u>
Capital Equipment	10/27/15	\$389,000.00	2.00%-5.00%	\$389,000.00

Minimum future lease payments due to the Authority are as follows:

<u>Year</u>	<u>General Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$62,000.00	\$15,493.89	\$77,493.89
2017	68,000.00	15,460.00	83,460.00
2018	71,000.00	12,740.00	83,740.00
2019	74,000.00	9,190.00	83,190.00
2020	77,000.00	5,490.00	82,490.00
2021-2025	37,000.00	5,280.00	42,280.00
	<u>\$389,000.00</u>	<u>\$63,653.89</u>	<u>\$452,653.89</u>

**NOTE 19.     LENGTH OF SERVICE AWARD PROGRAM**

The Borough has established a Length of Service Award Program to reward the members of the Borough's volunteer fire department, volunteer fire police and volunteer first aid squad for their loyal diligent and devoted service to the residents of the Borough. The Length of Service Award Program has been established under the laws of the State of New Jersey with the intent that it meets requirements under Section 457(e) (11) (B) of the Internal Revenue Code.

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member shall not exceed \$1,150.00 annually.

Appropriations - Appropriations for the purpose of funding the Borough's Length of Service Award Program are included as a separate line item in the Borough's budget.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

**NOTE 20.     COMMITMENTS AND CONTINGENCIES**

**Grant Financial Assistance**

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. The Borough's administration anticipates that no material liabilities will result from such audits.

**Legal Proceedings**

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration, are not likely to have a material adverse impact on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

**NOTE 21. COMMUNITY DISASTER LOAN**

On April 4, 2013 the Borough approved a resolution authorizing the execution of a promissory note for a Community Disaster Loan (the "Loan") in the amount of \$1,154,931.00 with the United States Department of Homeland Security, Federal Emergency Management Agency. Loan proceeds of \$300,000.00 were utilized as an item of revenue in the Borough's 2013 current fund budget.

As of December 31, 2015, the Loan principal balance and related accrued interest were \$300,000.00 and \$4,678.50, respectively. The full principal amount of the Loan and all accumulated accrued interest is due on May 1, 2018, and the interest rate on the loan is 0.625% per annum. The term of the loan is five years, but may be extended. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the Borough in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses.

**NOTE 22. SUBSEQUENT EVENTS**

On March 8, 2016 the Borough issued a bond anticipation note of \$390,000.00 at an interest rate of 1.03999% per annum in order to provide funding for Phase 3 of the Borough's East Main Street Improvement Project. All bond anticipation note principal with interest thereon is due on March 8, 2017.

On June 16, 2016 the Borough adopted an ordinance authorizing the issuance of bonds or notes of \$1,570,619.00 for various capital improvements.

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART II**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2015**

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$4,907,339.74
Increased by Receipts:			
State of New Jersey (P.L. 1971, C. 20)	A-9	\$60,250.00	
Taxes Receivable	A-5	21,062,604.89	
Revenue Accounts Receivable	A-7	1,127,552.04	
Non-Budget Revenues	A-2	410,447.76	
Prepaid Taxes	A-13	326,765.95	
Tax Overpayments	A-14	12,647.52	
Various Reserves	A-18	522,567.01	
Grants Receivable	A-21	61,628.14	
Special Emergency Note Payable		<u>220,000.00</u>	
			<u>23,804,463.31</u>
			28,711,803.05
Decreased by Disbursements:			
Budget Appropriations	A-3	6,567,717.08	
Appropriation Reserves	A-10	219,396.23	
County Taxes Payable	A-15	3,583,723.92	
Local School District Tax	A-16	7,430,566.40	
Regional High School Tax	A-17	3,708,665.00	
Various Reserves	A-18	28,512.97	
Appropriated Reserves	A-22	78,782.91	
Local Municipal Open Space Taxes		205,892.96	
Emergency Note Payable		150,000.00	
Tax Overpayments Refunded	A-14	3,744.10	
Refunds		<u>515.12</u>	
			<u>21,977,516.69</u>
Balance, December 31, 2015	A		<u><u>\$6,734,286.36</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**Year Ended December 31, 2015**

Year	Balance Dec. 31, 2014	2015 Levy	Added Taxes	Collections by Cash		Transferred to Tax Title Liens	Senior Citizens and Veterans Deductions	Over- payments Applied	Cancelled	Balance Dec. 31, 2015
				2014	2015					
2014	\$260,522.53		\$5,755.21		\$266,277.74					
2015		\$21,419,681.00		\$291,619.05	20,796,327.15	\$4,958.63	\$61,000.00	\$14,216.75	\$1,677.40	\$249,882.02
	<u>\$260,522.53</u>	<u>\$21,419,681.00</u>	<u>\$5,755.21</u>	<u>\$291,619.05</u>	<u>\$21,062,604.89</u>	<u>\$4,958.63</u>	<u>\$61,000.00</u>	<u>\$14,216.75</u>	<u>\$1,677.40</u>	<u>\$249,882.02</u>
<b>Ref.</b>	A			A-13	A-4	A-6	A-9	A-14		A

**Analysis of 2015 Property Tax Levy**

**Tax Yield:**

General Purpose Tax	\$21,268,724.29
Added Taxes (54:4-63.1 et seq.)	124,889.08
Omitted Taxes (54:4-63.12 et seq.)	<u>26,067.63</u>
	<u><u>\$21,419,681.00</u></u>

**Tax Levy:**

	<b>Ref.</b>	
Regional High School Tax	A-17	\$3,822,615.00
Local School District Tax	A-16	8,289,330.00
County Taxes:		
County Tax	A-15	\$3,125,274.15
County Library Tax	A-15	205,979.57
County Health Tax	A-15	61,859.81
County Open Space Tax	A-15	172,262.32
Due County for Added and Omitted Taxes	A-15	<u>14,940.03</u>
Total County Taxes		3,580,315.88
Local Municipal Open Space Tax		205,892.96
Due Municipal Open Space Tax for Added and Omitted Taxes		<u>860.34</u>
Total Local Municipal Open Space Taxes		206,753.30
Local Tax for Municipal Purposes	A-2	5,441,707.00
Add: Additional Tax Levied		<u>78,959.82</u>
Local Tax for Municipal Purposes Levied		<u>5,520,666.82</u>
		<u><u>\$21,419,681.00</u></u>



**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>	
Balance, December 31, 2014	A	\$38,313.82
Increased by:		
Transfers from Taxes Receivable	A-5	<u>4,958.63</u>
Balance, December 31, 2015	A	<u><u>\$43,272.45</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>Accrued in 2015</u>	<u>Collected/ Realized</u>	<u>Balance Dec. 31, 2015</u>
Alcoholic Beverage Licenses	A-2		\$960.00	\$960.00	
Other Licenses	A-2		3,393.00	3,393.00	
Fees and Permits	A-2		30,280.92	30,280.92	
Municipal Court Fines and Costs	A-2	\$8,739.50	180,778.66	177,625.16	\$11,893.00
Interest and Costs on Taxes	A-2		63,075.61	63,075.61	
Interest on Investments and Deposits	A-2		1,446.99	1,446.99	
Energy Receipts Tax	A-2		542,848.00	542,848.00	
Uniform Construction Code Fees	A-2		167,589.25	167,589.25	
Municipal Court - Sea Bright	A-2		84,543.42	84,543.42	
NJSEA - Payment for Environmental Infrastructure Trust Fees	A-2		238,887.00	238,887.00	
NJSEA - Amounts Paid and Receivable for Interest on Assessment Fund Loans	A-2		18,795.00	18,795.00	
Reserve for FEMA Proceeds	A-2		194,097.48	194,097.48	
Senior Citizen Housing - In Lieu of Taxes	A-2		55,789.69	55,789.69	
		<u>\$8,739.50</u>	<u>\$1,582,485.02</u>	<u>\$1,579,331.52</u>	<u>\$11,893.00</u>
	<u>Ref.</u>	A			A
Cash Receipts	A-4			\$1,127,552.04	
Realized Revenues	A-18			451,779.48	
				<u>\$1,579,331.52</u>	

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES**  
**AT ASSESSED VALUATION**  
**December 31, 2015 and 2014**

	<b><u>Ref.</u></b>	
Balance, December 31, 2015 and 2014	A	<b><u>\$3,300.00</u></b>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF DUE FROM STATE OF NEW JERSEY (P.L. 1971, C.20)**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>	
Balance, December 31, 2014	A	\$8,508.87
Increased by:		
Deductions per Tax Duplicate:		
Senior Citizens		\$5,500.00
Veterans		53,000.00
Deductions Allowed by Collector		<u>2,500.00</u>
	A-5	<u>61,000.00</u>
		69,508.87
Decreased by:		
Received from State of New Jersey	A-4	<u>60,250.00</u>
Balance, December 31, 2015	A	<u><u>\$9,258.87</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2015**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2014</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>after Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Administrative and Executive					
Salaries and Wages	\$1,516.53		\$1,516.53	\$1,287.68	\$228.85
Other Expenses	4,041.27	\$6,943.40	10,984.67	6,280.51	4,704.16
Financial Administration					
Salaries and Wages	11.00		11.00		11.00
Other Expenses	10,415.99	8,592.04	17,508.03	11,610.71	5,897.32
Collection of Taxes					
Salaries and Wages	79.98		79.98		79.98
Other Expenses	3,149.94		3,149.94		3,149.94
Liquidation of Tax Title Liens					
Other Expenses	100.00		100.00		100.00
Other Expenses	2,149.03		2,149.03		2,149.03
Legal Services and Costs					
Other Expenses	7,937.64	4,901.58	22,839.22	16,515.70	6,323.52
Engineering Services and Costs					
Other Expenses	16,086.50	1,316.09	17,402.59	1,316.09	16,086.50
Planning Board and Board of Adjustment					
Salaries and Wages		500.00	500.00	500.00	
Other Expenses	1,682.06	189.48	1,871.54	189.48	1,682.06
Planning Fees - Land Development					
Other Expenses	6,311.46	3,854.60	10,166.06	6,954.77	3,211.29
Environmental Commission					
Other Expenses	200.00		200.00		200.00

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2015**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2014</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>after Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Municipal Court					
Salaries and Wages	\$1,389.18		\$1,389.18	\$170.00	\$1,219.18
Other Expenses	4,339.45	\$179.76	6,019.21	4,876.36	1,142.85
Public Defender					
Salaries and Wages	600.00	200.00	800.00	200.00	600.00
Police Department					
Salaries and Wages	25,667.43		11,667.43	3,393.06	8,274.37
Other Expenses	10,149.58	11,440.61	21,590.19	13,399.07	8,191.12
Other Expenses - Police Car	228.00		228.00		228.00
Emergency Management Services					
Other Expenses	1.71	2,295.50	2,297.21	2,170.50	126.71
First Aid Organization - Contribution	3,506.07	605.29	4,111.36	4,057.01	54.35
Fire					
Miscellaneous	788.91	22,334.74	23,123.65	22,962.03	161.62
Fire Hydrant Service	501.68		501.68		501.68
Municipal Prosecutor					
Salaries and Wages	4,195.00		4,195.00	570.00	3,625.00
Road Repairs and Maintenance					
Salaries and Wages	5,892.30	625.00	6,517.30	625.00	5,892.30
Other Expenses	20,165.70	4,979.81	25,145.51	3,603.64	21,541.87
Garbage and Trash Removal					
Other Expenses	999.96		999.96		999.96
Public Buildings and Grounds					
Other Expenses	4,807.96	3,791.64	8,599.60	1,955.05	6,644.55
Shade Tree					
Other Expenses	3,000.00		3,000.00		3,000.00

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2015**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2014</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>after Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Recycling					
Other Expenses	\$2,950.03	\$31.00	\$2,981.03	\$208.00	\$2,773.03
Board of Health					
Salaries and Wages	78.00		78.00		78.00
Other Expenses	350.00		350.00		350.00
Water Watch Committee					
Other Expenses	368.91	173.00	541.91		541.91
Recreation and Education					
Salaries and Wages	10.00		10.00		10.00
Other Expenses	5,129.56	4,665.30	9,794.86	2,770.30	7,024.56
Insurance					
General Liability	1,116.60		1,116.60		1,116.60
Worker Compensation	0.62		0.62		0.62
Health Benefits Waiver	495.00		495.00		495.00
Dental	374.76		374.76		374.76
Expenses in Participation in Free County Library					
Salaries and Wages	398.23		398.23		398.23
Other Expenses	2,116.63		2,116.63		2,116.63
Transportation of High School Students					
Other Expenses	1,303.43		1,303.43		1,303.43
Salary Adjustment Account	225.00		225.00		225.00
Celebration of Public Events					
Other Expenses	407.04	324.00	731.04	324.00	407.04
State Uniform Construction Code					
Salaries and Wages	2,452.85		2,452.85		2,452.85
Other Expenses	3,949.91	35.00	3,984.91	35.00	3,949.91

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2015**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2014</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>after Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Code Enforcement					
Salaries and Wages	\$5.00		\$5.00		\$5.00
Other Expenses	1,300.00		1,300.00		1,300.00
Utility Expenses and Bulk Purchases					
Street Lighting	18,232.80	\$130.00	18,362.80	\$6,628.08	11,734.72
Gasoline	2,000.00	8,115.29	10,115.29	5,445.92	4,669.37
Electricity	12,541.32	243.58	12,784.90	3,567.89	9,217.01
Telephone	2,874.68	805.16	3,679.84	360.00	3,319.84
Water and Sewer	5,921.63		5,921.63	1,672.69	4,248.94
Natural Gas	3,076.47	811.64	7,888.11	6,795.60	1,092.51
Landfill/Solid Waste Disposal Costs					
Tipping Fees	5,276.71		5,276.71		5,276.71
NJ Environmental Infrastructure Trust:					
Administrative Fees	28,168.00		28,168.00		28,168.00
Public Employees' Retirement System of N.J.	16.84		16.84		16.84
Social Security System (O.A.S.I.)	4,574.11		4,574.11	2,082.59	2,491.52
Police and Firemen's Retirement System of N.J.	117.77		117.77		117.77
Monmouth County 911 Program	301.37		301.37		301.37
Hurricane Sandy	93,106.83	7,674.50	100,781.33	31,669.50	69,111.83
Employee Group Health	11,464.36		11,464.36		11,464.36
LOSAP		70,000.00	70,000.00	55,200.00	14,800.00
Police Dispatch - West Long Branch					
Salaries and Wages	960.00		960.00		960.00
	<u>\$351,578.79</u>	<u>\$165,758.01</u>	<u>\$517,336.80</u>	<u>\$219,396.23</u>	<u>\$297,940.57</u>

**Ref.**

A

A-11

A-4

A-1



**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF RESERVE FOR ENCUMBRANCES**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>	
Balance, December 31, 2014	A	\$165,758.01
Increased by:		
Current Appropriations Charged	A-3	<u>224,934.41</u>
		390,692.42
Decreased by:		
Transferred to Appropriation Reserves	A-10	<u>165,758.01</u>
Balance, December 31, 2015	A	<u><u>\$224,934.41</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CODE OFFICIAL SECURITY DEPOSIT**  
**December 31, 2015 and 2014**

**Ref.**

Balance, December 31, 2015 and 2014	A	<u><u>\$1,000.00</u></u>
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**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF PREPAID TAXES**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>	
Balance, December 31, 2014	A	\$291,619.05
Increased by:		
Collection of 2016 Taxes	A-4	<u>326,765.95</u>
		618,385.00
Decreased by:		
Applied to Taxes Receivable	A-5	<u>291,619.05</u>
Balance, December 31, 2015	A	<u><u>\$326,765.95</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAX OVERPAYMENTS**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Increased by:			
Receipts	A-4	\$12,647.52	
Prior Year Tax Overpayments	A-1	<u>14,216.75</u>	
			\$26,864.27
Decreased by:			
Disbursements	A-4	3,744.10	
Applied to Taxes Receivable	A-5	<u>14,216.75</u>	
			<u>17,960.85</u>
Balance, December 31, 2015	A		<u><u>\$8,903.42</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF COUNTY TAXES PAYABLE**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>		
Balance, December 31, 2014	A		\$18,348.07
Increased by:			
County Tax	A-5	\$3,125,274.15	
County Library Tax	A-5	205,979.57	
County Health Tax	A-5	61,859.81	
County Open Space Tax	A-5	172,262.32	
Due County for Added and Omitted Taxes	A-5	<u>14,940.03</u>	
	A-1		<u>3,580,315.88</u>
			3,598,663.95
Decreased by:			
Payments	A-4		<u>3,583,723.92</u>
Balance, December 31, 2015	A		<u><u>\$14,940.03</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>		
Balance, December 31, 2014:			
School Tax Payable	A	\$1,700,883.46	
School Tax Deferred		<u>1,585,121.97</u>	
			\$3,286,005.43
Increased by:			
Levy - School Year July 1, 2015 to June 30, 2016	A-5	<u>8,289,330.00</u>	
			11,575,335.43
Decreased by:			
Payments	A-4	<u>7,430,566.40</u>	
Balance, December 31, 2015:			
School Tax Payable	A	2,559,647.06	
School Tax Deferred		<u>1,585,121.97</u>	
			<u>\$4,144,769.03</u>
<b><u>2015 Liability for Local District School Tax:</u></b>			
Tax Paid	A-16	\$7,430,566.40	
School Tax Payable, December 31, 2015	A-16	<u>2,559,647.06</u>	
		9,990,213.46	
Less: School Tax Payable, December 31, 2014	A-16	<u>1,700,883.46</u>	
Amount Charged to 2015 Operations	A-1	<u>\$8,289,330.00</u>	

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance, December 31, 2014:			
School Tax Payable	A	\$914,090.37	
School Tax Deferred		<u>900,471.63</u>	
			\$1,814,562.00
Increased by:			
Levy - School Year July 1, 2015 to June 30, 2016	A-5		<u>3,822,615.00</u>
			5,637,177.00
Decreased by:			
Payments	A-4		<u>3,708,665.00</u>
Balance, December 31, 2015:			
School Tax Payable	A	1,028,040.37	
School Tax Deferred		<u>900,471.63</u>	
			<u>\$1,928,512.00</u>
<b><u>2015 Liability for Regional High School Tax:</u></b>			
Tax Paid	A-17		\$3,708,665.00
School Tax Payable, December 31, 2015	A-17		<u>1,028,040.37</u>
			4,736,705.37
Less: School Tax Payable, December 31, 2014	A-17		<u>914,090.37</u>
Amount Charged to 2015 Operations	A-1		<u>\$3,822,615.00</u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**Year Ended December 31, 2015**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2014</u></b>	<b><u>Increased by</u></b>	<b><u>Decreased by</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2015</u></b>
Reserve for:				
Maintenance of Free Public Library	\$1,376.80			\$1,376.80
Prepaid Revenue - NJSEA Environmental Infrastructure Trust Fees and Interest Payments	64,420.63	\$510,839.01	\$257,682.00	317,577.64
FEMA Proceeds	235,886.39		194,097.48	41,788.91
Overpayment Due to FEMA		194,097.48		194,097.48
Revaluation and Preparation of Tax Maps		220,000.00	17,015.00	202,985.00
Due to State of New Jersey:				
Training Fees	13,137.59	11,153.00	11,047.97	13,242.62
Marriage License Fees	625.00	575.00	450.00	750.00
	<u>\$315,446.41</u>	<u>\$936,664.49</u>	<u>\$480,292.45</u>	<u>\$771,818.45</u>
	<b><u>Ref.</u></b>	<b><u>A</u></b>		<b><u>A</u></b>
Cash Receipts	A-4	\$522,567.01		
Cash Disbursements	A-4		\$28,512.97	
Current Fund Budget Appropriations:				
Revaluation and Preparation of Tax Maps	A-3	220,000.00		
Overpayment Due to FEMA	A-3	194,097.48		
Current Fund Budget Revenues Realized:				
Reserve for FEMA Proceeds	A-7		194,097.48	
NJSEA - Amounts Paid and Receivable for Interest Due on Assessment Fund Loans	A-7		238,887.00	
NJSEA - Payment for Environmental Infrastructure Trust Fees	A-7		18,795.00	
		<u>\$936,664.49</u>	<u>\$480,292.45</u>	



**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF DUE TO FEDERAL AND STATE GRANT FUND**  
**December 31, 2015 and 2014**

	<b><u>Ref.</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2015</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2014</u></b>
Due to Federal and State Grant Fund	A	<u>\$116,004.18</u>	<u>\$114,857.13</u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF DUE FROM CURRENT FUND**  
**Year Ended December 31, 2015**

Balance, December 31, 2014	<u>Ref.</u> A		\$114,857.13
Increased by:			
Deposited in Other Funds:			
Grants Receivable	A-21	\$61,628.14	
2015 Budget Appropriations	A-3,A-22	630,163.44	
Cancelled Grants Receivable	A-21	<u>25,242.00</u>	
			<u>717,033.58</u>
Decreased by:			831,890.71
Disbursed by Other Funds:			
Appropriated Reserves	A-22	78,782.91	
Anticipated Revenue	A-21	605,749.44	
Cancelled Appropriated Reserves	A-22	<u>31,354.18</u>	
			<u>715,886.53</u>
Balance, December 31, 2015	A		<u><u>\$116,004.18</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2015**

<b>Grant</b>	<b>Ref.</b>	<b>Balance Dec. 31, 2014</b>	<b>2015 Anticipated Revenue</b>	<b>Cash Received</b>	<b>Realized by Funding of Capital Ordinance</b>	<b>Cancelled</b>	<b>Balance Dec. 31, 2015</b>
State Homeland Security Grant Program		\$20,000.00				\$20,000.00	
Over the Limit Under Arrest		950.00				950.00	
Clean Communities Program	A-2		\$13,892.53	\$13,892.53			
Alcohol Education and Rehabilitation Fund	A-2		1,355.46	1,355.46			
Secure Our Schools Grant		792.00				792.00	
Sustainable Jersey Land Use Planning Grant		3,500.00				3,500.00	
CDBG Oceanport Streetscape	A-2		390,000.00		\$390,000.00		
County of Monmouth ADA Restroom Project	A-2		121,016.00				\$121,016.00
NJDCA Zoning Code Enforcement	A-2		60,000.00	26,894.70			33,105.30
N.J. Division of Highway Traffic Safety	A-2		7,050.00	7,050.00			
ANJEC Environmental Resource Inventory Project	A-2		2,600.00	2,600.00			
CDBG - Post Sandy Planning Assistance Grant		1,021.94					1,021.94
Drunk Driving Enforcement	A-2		8,156.73	8,156.73			
Body Armor Fund	A-2		1,678.72	1,678.72			
		<u>\$26,263.94</u>	<u>\$605,749.44</u>	<u>\$61,628.14</u>	<u>\$390,000.00</u>	<u>\$25,242.00</u>	<u>\$155,143.24</u>
<b><u>Ref.</u></b>		<b>A</b>	<b>A-20</b>	<b>A-4,A-20</b>		<b>A-1</b>	<b>A</b>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**Year Ended December 31, 2015**

<b>Grant</b>	<b>Balance Dec. 31, 2014</b>	<b>2015 Budget Appropriations</b>	<b>Expended</b>	<b>Appropriated by Capital Ordinance</b>	<b>Cancelled</b>	<b>Balance Dec. 31, 2015</b>
Body Armor Fund	\$2,408.04	\$1,678.72				\$4,086.76
Drunk Driving Enforcement Fund	7,643.80	8,156.73	\$7,486.79			8,313.74
Clean Communities Program	36,947.26	13,892.53	11,749.69			39,090.10
Secure Our Schools Grant	792.00	1,355.46			\$792.00	1,355.46
Municipal Alcohol Education and Rehabilitation Fund	3,207.51					3,207.51
Municipal Alliance Grant - Local Match	1,096.50				1,096.50	
Cooperative Marketing Grant - Breeder's Cup	3,291.52				3,291.52	
State Homeland Security Grant Program	20,000.00				20,000.00	
N.J. State Police - Emergency Management						
Exercise Improvement	12,620.48					12,620.48
NJDCA - SHARE Grant	15,500.00				1,500.00	14,000.00
Comcast Technology Grant	179.09				179.09	
Oceanport Drug Awareness	2,939.80					2,939.80
N.J. American Water Volunteer Firefighter Grant	0.82				0.82	
U.S. Department of Homeland Security	855.00				855.00	
Over the Limit Under Arrest	950.00				950.00	
Direct Install Program Match		24,414.00	24,413.51			0.49
NJDCA Zoning Code Enforcement		60,000.00				60,000.00
Drive Sober or Get Pulled Over		7,050.00	6,725.00			325.00
ANJEC Environmental Resource Inventory Project		2,600.00				2,600.00
CDBG Oceanport Streetscape		390,000.00		\$390,000.00		
County of Monmouth ADA Restroom Project		121,016.00				121,016.00
CDBG - Post Sandy Planning Assistance Grant	30,000.00		28,407.92			1,592.08
Sustainable Jersey Land Use Planning Grant	2,689.25				2,689.25	
	<u>\$141,121.07</u>	<u>\$630,163.44</u>	<u>\$78,782.91</u>	<u>\$390,000.00</u>	<u>\$31,354.18</u>	<u>\$271,147.42</u>
<b><u>Ref.</u></b>	<b>A</b>	<b>A-3,A-20</b>	<b>A-4,A-20</b>		<b>A-1,A-20</b>	<b>A</b>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Open Space Fund</u>	<u>Assessment Fund</u>
Balance, December 31, 2014	B	\$6,240.03	\$764,875.02	\$288,708.79	\$165,537.05
Increased by Receipts:					
Reserve for Animal Control					
Fund Expenditures	B-2	\$6,115.20			
Due from Current Fund	B-5			\$205,892.96	
Various Reserves	B-6		\$565,485.96		
Due to State of New Jersey	B-3	814.80			
Assessments Receivable	B-9				\$1,016,565.77
Due from Payroll Fund			75,000.00		
Notes Receivable				150,000.00	
Reserve for Open Space	B-4			<u>34,052.32</u>	
		<u>6,930.00</u>	<u>640,485.96</u>	<u>389,945.28</u>	<u>1,016,565.77</u>
		13,170.03	1,405,360.98	678,654.07	1,182,102.82
Decreased by Disbursements:					
Due to State of New Jersey	B-3	814.80			
Animal Control Fund					
Expenditures (R.S. 4:19-15.11)	B-2	5,591.55			
Various Reserves	B-6		626,843.38		
New Jersey Environmental					
Infrastructure Trust Loan	B-10				23,343.49
New Jersey Department of					
Environmental Protection Fund					
Loan	B-11				993,222.28
Reserve for Open Space	B-4			<u>581,075.69</u>	
		<u>6,406.35</u>	<u>626,843.38</u>	<u>581,075.69</u>	<u>1,016,565.77</u>
Balance, December 31, 2015	B	<u>\$6,763.68</u>	<u>\$778,517.60</u>	<u>\$97,578.38</u>	<u>\$165,537.05</u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance, December 31, 2014	B	\$6,240.03
Increased by:		
Dog License Fees Collected	B-1	<u>6,115.20</u> 12,355.23
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash	B-1	<u>5,591.55</u>
Balance, December 31, 2015	B	<u><u>\$6,763.68</u></u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2014	\$6,167.80
2013	<u>6,353.40</u> <u><u>\$12,521.20</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF DUE TO STATE OF NEW JERSEY - ANIMAL CONTROL FUND**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>	
Increased by:		
Receipts	B-1	\$814.80
Decreased by:		
Disbursed	B-1	<u>814.80</u>
Balance, December 31, 2015		<u><u>\$0.00</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR OPEN SPACE**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>	
Balance, December 31, 2014	B	\$438,708.79
Increased by:		
Open Space Tax Levy		\$205,892.96
Open Space Added and Omitted Levy		860.34
Recreational and Other Fees	B-1	<u>34,052.32</u>
		<u>240,805.62</u>
		679,514.41
Decreased by:		
Cash Disbursed	B-1	<u>581,075.69</u>
Balance, December 31, 2015	B	<u><u>\$98,438.72</u></u>



**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF DUE FROM CURRENT FUND**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>	
Increased by:		
Due from Current Fund for Local Municipal		
Open Space Taxes		\$206,753.30
Decreased by:		
Cash Receipts	B-1	<u>205,892.96</u>
Balance, December 31, 2015	B	<u><u>\$860.34</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF VARIOUS RESERVES - OTHER TRUST FUND**  
**Year Ended December 31, 2015**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2014</u></b>	<b><u>Increased</u></b>	<b><u>Decreased</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2015</u></b>
<b><u>Reserve for:</u></b>				
Recreation	\$1,824.77	\$31,060.00	\$29,467.47	\$3,417.30
Fireworks	9,795.72		7,500.00	2,295.72
Water Watch	17.08			17.08
Shade Tree	121.88			121.88
Law Enforcement	190.77	6,023.00		6,213.77
Historical Society	938.32			938.32
Old Wharf Senior Center	4,208.05		859.39	3,348.66
Parking Offense Adjudication Act	430.71	22.00		452.71
Wedding Trust	910.00			910.00
Unemployment Trust	25,834.88	13,833.02	348.87	39,319.03
Outside Off-Duty Police				
Employment	54,782.51	197,887.49	193,921.47	58,748.53
Developer's Escrow	243,726.30	238,961.41	115,867.18	366,820.53
Recycling	77,309.21	15,572.39	9,758.60	83,123.00
Public Defender	2,131.00	3,378.65	2,400.00	3,109.65
Community Center	94.94	1,200.00	1,257.83	37.11
Firehouse Donations	668.25			668.25
Donations	1,170.00			1,170.00
Memorial Benches	1,834.59			1,834.59
Tax Sale Premiums	400,300.00	34,300.00	256,200.00	178,400.00
Volunteer Emergency Services	174.83			174.83
Emergency Police Services				
Donations	597.21			597.21
Community Enhancement				
and Beautification	742.01	943.00	211.00	1,474.01
Summers End	12,071.99	22,305.00	9,051.57	25,325.42
	<b><u>\$839,875.02</u></b>	<b><u>\$565,485.96</u></b>	<b><u>\$626,843.38</u></b>	<b><u>\$778,517.60</u></b>
<b><u>Ref.</u></b>	<b>B</b>	<b>B-1</b>	<b>B-1</b>	<b>B</b>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF LENGTH OF SERVICE AWARD**  
**PROGRAM FUND INVESTMENTS**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance, December 31, 2014	B		\$677,313.82
Increased by:			
Borough Contributions	B-8	\$55,200.00	
Change in Market Value	B-8	<u>4,857.66</u>	
			<u>60,057.66</u>
			737,371.48
Decreased by:			
Distributions	B-8	3,448.14	
Return of Non-Vested Funds	B-8	1,193.40	
Administrative Charges	B-8	<u>1,675.00</u>	
			<u>6,316.54</u>
Balance, December 31, 2015	B		<u><u>\$731,054.94</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD**  
**PROGRAM FUND**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance, December 31, 2014	B		\$677,313.82
Increased by:			
Borough Contributions	B-7	\$55,200.00	
Change in Market Value	B-7	<u>4,857.66</u>	
			<u>60,057.66</u>
			737,371.48
Decreased by:			
Distributions	B-7	3,448.14	
Return of Non-Vested Funds	B-7	1,193.40	
Administrative Charges	B-7	<u>1,675.00</u>	
			<u>6,316.54</u>
Balance, December 31, 2015	B		<u><u>\$731,054.94</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF ASSESSMENTS RECEIVABLE - ASSESSMENT FUND**  
**Year Ended December 31, 2015**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Quarterly Installments</u></b>	<b><u>Due Dates</u></b>	<b><u>Balance Dec. 31, 2014</u></b>	<b><u>Decreased</u></b>	<b><u>Balance Dec. 31, 2015</u></b>	<b><u>Balance Pledged to Loans</u></b>
866	Construction, Repair, Rehabilitation, Maintenance and Reconstruction of Stormwater Basins at Monmouth Park Racetrack	58	4/1/16-7/1/29	<u>\$20,477,797.39</u>	<u>\$2,400,560.28</u>	<u>\$18,077,237.11</u>	<u>\$18,077,237.11</u>
			<b><u>Ref.</u></b>	<b>B</b>		<b>B</b>	
		Cash Receipts	B-1		\$1,016,565.77		
		Credits Applied	B-10		256,656.51		
		De-Obligated	B-11		<u>1,127,338.00</u>		
					<u>\$2,400,560.28</u>		
						<b><u>Ref.</u></b>	
						B-10	\$5,465,000.00
						B-11	<u>12,612,237.11</u>
							<u>\$18,077,237.11</u>

\* All assessments receivable are due from the New Jersey Sports and Exposition Authority (the "NJSEA"). The amounts paid by the NJSEA will be used by the Borough of Oceanport to repay the above referenced loans.

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN - ASSESSMENT FUND**  
**Year Ended December 31, 2015**

Purpose	Date of Issue	Original Issue	Loan Maturities		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Outstanding Dec. 31, 2015 Date	Amount				
Construction, Repair, Rehabilitation, Maintenance and Reconstruction of Stormwater Basins at Monmouth Park Racetrack	12/02/09	\$6,265,000.00	08/01/16	\$295,000.00	5.00%	\$5,745,000.00	\$280,000.00	\$5,465,000.00
			08/01/17	305,000.00	5.00%			
			08/01/18	325,000.00	5.00%			
			08/01/19	340,000.00	4.00%			
			08/01/20	350,000.00	4.00%			
			08/01/21	365,000.00	4.00%			
			08/01/22	380,000.00	3.50%			
			08/01/23	395,000.00	4.00%			
			08/01/24	410,000.00	4.00%			
			08/01/25	425,000.00	3.75%			
			08/01/26	440,000.00	4.00%			
			08/01/27	460,000.00	4.00%			
			08/01/28	480,000.00	4.00%			
			08/01/29	495,000.00	4.00%			
					<u>Ref.</u>	<u>B</u>	<u>B</u>	
					<u>B-9</u>			
Cash Disbursed					B-1	\$23,343.49		
Project Fund Credits Applied					B-9	256,656.51		
						<u>\$280,000.00</u>		

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF NEW JERSEY DEPARTMENT OF ENVIRONMENTAL**  
**PROTECTION FUND LOAN - ASSESSMENT FUND**  
**Year Ended December 31, 2015**

Purpose	Date of Issue	Original Issue	Loan Maturities		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Outstanding Dec. 31, 2015 Date	Amount				
Construction, Repair, Rehabilitation, Maintenance and Reconstruction of Stormwater Basins at Monmouth Park Racetrack	12/02/09	\$16,884,779.00	02/01/16	\$331,074.09	0.00%	\$14,898,334.44	\$2,120,560.28	\$12,777,774.16
			08/01/16	662,148.19	0.00%			
			02/01/17	331,074.09	0.00%			
			08/01/17	662,148.19	0.00%			
			02/01/18	331,074.09	0.00%			
			08/01/18	662,148.19	0.00%			
			02/01/19	331,074.09	0.00%			
			08/01/19	662,148.19	0.00%			
			02/01/20	331,074.09	0.00%			
			08/01/20	662,148.19	0.00%			
			02/01/21	331,074.09	0.00%			
			08/01/21	662,148.19	0.00%			
			02/01/22	331,074.09	0.00%			
			08/01/22	662,148.19	0.00%			
			02/01/23	331,074.09	0.00%			
			08/01/23	662,148.19	0.00%			
			02/01/24	331,074.09	0.00%			

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF NEW JERSEY DEPARTMENT OF ENVIRONMENTAL**  
**PROTECTION FUND LOAN - ASSESSMENT FUND**  
**Year Ended December 31, 2015**

Purpose	Date of Issue	Original Issue	Loan Maturities		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Outstanding Dec. 31, 2015 Date	Amount				
Construction, Repair, Rehabilitation, Maintenance and Reconstruction of Stormwater Basins at Monmouth Park Racetrack	12/02/09	\$16,884,779.00	08/01/24	\$662,148.19	0.00%			
			02/01/25	331,074.09	0.00%			
			08/01/25	662,148.19	0.00%			
			02/01/26	331,074.09	0.00%			
			08/01/26	662,148.19	0.00%			
			02/01/27	331,074.09	0.00%			
			08/01/27	662,148.19	0.00%			
			02/01/28	331,074.09	0.00%			
			08/01/28	528,032.71	0.00%			
						<u>\$14,898,334.44</u>	<u>\$2,120,560.28</u>	<u>\$12,777,774.16</u>
					<u>Ref.</u>	B		B
								B-9
				Cash Disbursed	B-1		\$993,222.28	
				De-Obligated	B-9		1,127,338.00	
							<u>\$2,120,560.28</u>	



**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance, December 31, 2014	C		\$767,600.82
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-12	\$75,000.00	
Grants Receivable	C-6	40,000.00	
Bond Anticipation Notes	C-15	795,700.00	
Improvement Authorization Refund	C-10	7,500.00	
Reimbursements to Capital Improvement Fund	C-12	<u>2,100.00</u>	
			920,300.00
			<u>1,687,900.82</u>
Decreased by Disbursements:			
Improvement Authorizations	C-10		<u>730,716.39</u>
Balance, December 31, 2015	C		<u><u>\$957,184.43</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**ANALYSIS OF GENERAL CAPITAL FUND CASH**  
**Year Ended December 31, 2015**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2015</u></b>
Fund Balance	\$20,351.78
Grants Receivable (Net of Reserve)	(383,731.97)
Capital Improvement Fund	48,414.55
Reserve for Encumbrances	84,079.22
Accrued Interest on Bonds	3,478.24
Reserve for Payment of Bonds	6,801.49
Ordinance Appropriation to be Funded	(111.08)

Improvement Authorizations:

<b><u>Ordinance</u></b> <b><u>Number</u></b>	<b><u>Improvement Description</u></b>	
792	Improvements to Old Wharf Park	9,704.00
823/832	Various General Improvements	1,919.69
842	Various Improvements	30,057.81
884	Various Security Improvements and Related Expenses	825.00
895	Various Capital Improvements and Related Expenses	2,988.15
903	Various Capital Improvements and Related Expenses	152,507.50
904	Various Capital Improvements	278.19
917	Various Capital Improvements and Related Expenses	139,621.03
922	Construction of a Building in Blackberry Bay Park and Related Expenses	27,939.82
929	Acquisition of Computers and Radios for the Borough Police Department	13,512.75
931	Various Capital Improvements	(1,710.51)
950	Various Capital Improvements	800,258.77
		<b><u>\$957,184.43</u></b>

**Ref.**

C

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>		
Balance, December 31, 2014	C		\$4,926,522.32
Decreased by:			
Budget Appropriation to Pay Bonds	C-11	\$663,000.00	
Bonds Paid by Open Space Fund	C-11	90,000.00	
Budget Appropriation to Pay Green Trust Loans	C-13	<u>22,915.53</u>	
			<u>775,915.53</u>
Balance, December 31, 2015	C		<u><u>\$4,150,606.79</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**  
**Year Ended December 31, 2015**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2014</u></b>	<b><u>2015 Authorizations</u></b>	<b><u>Cancelled</u></b>	<b><u>Balance Dec. 31, 2015</u></b>
General Improvements:					
931	Various Capital Improvements	\$50,000.00			\$50,000.00
935	Completion of the Borough's Affordable Housing Plan and Related Expenses	285,000.00		\$285,000.00	
947	Acquisition and Improvement of Russell Hall (Building 286) Fort Monmouth Oceanport		\$1,140,000.00	1,140,000.00	
950	Various Capital Improvements		795,700.00		795,700.00
960	Phase 3 of the Borough's East Main Street Improvement Project		390,000.00		390,000.00
Local Improvements:					
866	Construction, Repair, Rehabilitation, Maintenance and Reconstruction of Stormwater Basins at Monmouth Park Racetrack	1,850,221.00			1,850,221.00
		<u>\$2,185,221.00</u>	<u>\$2,325,700.00</u>	<u>\$1,425,000.00</u>	<u>\$3,085,921.00</u>
<b><u>Ref.</u></b>		C	C-10	C-10	C

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance, December 31, 2014	C		\$297,881.24
Increased by:			
Ordinance Number 950 for Various Capital Improvements	C-10	\$220,000.00	
Ordinance Number 960 for Phase 3 of the Borough's East Main Street Improvement Project		<u>390,000.00</u>	
			<u>610,000.00</u>
			907,881.24
Decreased by:			
Cash Receipts	C-2	40,000.00	
Cancelled Unexpended Ordinance Appropriations	C-10	94,038.19	
Cancelled Expended Ordinance Appropriations	C	<u>111.08</u>	
			<u>134,149.27</u>
Balance, December 31, 2015	C		<u><u>\$773,731.97</u></u>

## Detail:

<u>Ordinance Number</u>	<u>Description</u>	
792	County of Monmouth for Old Wharf Park	\$11,000.00
823	County of Monmouth for Street Signage	4,000.00
842	N.J.D.O.T. for Various Capital Improvements	27,731.97
903	CDBG for Various Capital Improvements and Related Expenses	121,000.00
950	FEMA for Various Capital Improvements	100,000.00
950	N.J.D.O.T. for Various Capital Improvements	120,000.00
960	CDBG for Phase 3 of the Borough's East Main Street Improvement Project	<u>390,000.00</u>
		<u><u>\$773,731.97</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR PAYMENT OF BONDS**  
**December 31, 2015 and 2014**

	<b><u>Ref.</u></b>	
Balance, December 31, 2015 and 2014	C	<u><u>\$6,801.49</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR ENCUMBRANCES**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>	
Balance, December 31, 2014	C	\$18,046.27
Increased by:		
Charged to Improvement Authorizations	C-10	84,079.22
		<u>102,125.49</u>
Decreased by:		
Transferred to Improvement Authorizations	C-10	18,046.27
		<u>18,046.27</u>
Balance, December 31, 2015	C	<u><u>\$84,079.22</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF ACCRUED INTEREST ON BONDS**  
**December 31, 2015 and 2014**

	<b><u>Ref.</u></b>	
Balance, December 31, 2015 and 2014	C	<b><u>\$3,478.24</u></b>



**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2015**

Ordinance Number	Improvement Description	Ordinance Date	Balance December 31, 2014			2015			Paid or Charged	Encumbered	Balance December 31, 2015	
			Encumbered	Funded	Unfunded	Authorizations	Refunded	Cancelled			Funded	Unfunded
General Improvements:												
792(6)	Improvements to Old Wharf Park	05/19/05		\$9,704.00								\$9,704.00
810(3)	Road Improvements - Crescent	05/20/06		1,366.41				\$1,366.41				
823/832(4)	Street Signage	06/21-12/20/07		1,919.69								1,919.69
842(1)	Road Program	05/01/08		27,731.97								27,731.97
842(2)	Acquisition of Police Department Equipment	05/01/08		2,325.84								2,325.84
863(2)	2009 Road Program	05/07/09		56,391.25				56,391.25				
882	2010 Road and Sidewalk Improvement Program and Related Expenses	06/03/10		34,643.33				34,643.33				
884	Various Security Improvements and Related Expenses	09/02/10		825.00								825.00
895	Various Capital Improvements and Related Expenses	05/05/11		4,625.35				1,637.20				2,988.15
903	Various Capital Improvements and Related Expenses	07/19/12		152,507.50								152,507.50
904	Various Capital Improvements	05/03/12		278.19								278.19
917	Various Capital Improvements and Related Expenses	08/15/13	\$8,207.02	140,617.46					\$9,203.45			139,621.03
922	Construction of a Building in Blackberry Bay Park and Related Expenses	12/04/13		27,939.82								27,939.82
929	Acquisition of Computers and Radios for the Borough Police Department	03/20/14		6,012.75			\$7,500.00					13,512.75
931	Various Capital Improvements	05/01/14	9,839.25	509,535.22	\$50,000.00				451,958.76	\$69,126.22		\$48,289.49
935	Completion of the Borough's Affordable Housing Plan and Related Expenses	09/18/14		15,000.00	285,000.00			285,000.00	15,000.00			
947	Acquisition and Improvement of Russell Hall (Building 286) Fort Monmouth Oceanport	04/16/15				\$1,200,000.00		1,186,234.05	13,765.95			
950	Various Capital Improvements	05/21/15				1,056,000.00			240,788.23	14,953.00	4,558.77	795,700.00
960	Phase 3 of the Borough's East Main Street Improvement Project	12/02/15				390,000.00						390,000.00

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2015**

Ordinance Number	Improvement Description	Ordinance Date	Balance December 31, 2014			2015			Cash Disbursed	Balance December 31, 2015		
			Encumbered	Funded	Unfunded	Authorizations	Refunded	Cancelled		Encumbered	Funded	Unfunded
Local Improvements:												
866	Construction, Repair, Rehabilitation, Maintenance and Reconstruction of Stormwater Basins at Monmouth Park Racetrack	07/16/09		\$1,503,119.00	\$1,850,221.00						\$1,503,119.00	\$1,850,221.00
			<u>\$18,046.27</u>	<u>\$2,494,542.78</u>	<u>\$2,185,221.00</u>	<u>\$2,646,000.00</u>	<u>\$7,500.00</u>	<u>\$1,565,272.24</u>	<u>\$730,716.39</u>	<u>\$84,079.22</u>	<u>\$1,887,031.71</u>	<u>\$3,084,210.49</u>
		<u>Ref.</u>	C,C-8	C	C		C-2		C-2	C,C-8	C	C
Detail:												
Deferred Charges to Future Taxation - Unfunded		C-5,C-14				\$2,325,700.00		\$1,425,000.00				
Grants Receivable		C-6				220,000.00		94,038.19				
Capital Improvement Fund		C-12				100,300.00		46,234.05				
						<u>\$2,646,000.00</u>		<u>\$1,565,272.24</u>				

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2015**

<b>Purpose</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Maturities of Bonds Outstanding December 31, 2015</b>		<b>Interest Rate</b>	<b>Balance Dec. 31, 2014</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2015</b>
General Improvement Bonds	09/01/05	\$2,849,000.00	09/01/16	\$205,000.00	3.625%	\$1,050,000.00	\$200,000.00	\$850,000.00
			09/01/17	210,000.00	3.75%			
			09/01/18	215,000.00	3.75%			
			09/01/19	220,000.00	3.75%			
General Improvement Bonds	12/13/07	803,000.00	12/01/16	108,000.00	5.00%	211,000.00	103,000.00	108,000.00
General Improvement Bonds	12/04/08	1,043,000.00	12/01/16	77,000.00	4.00%	302,000.00	145,000.00	157,000.00
			12/01/17	80,000.00	4.00%			
General Improvement Bonds	01/24/11	795,000.00	01/15/16	75,000.00	2.75%	590,000.00	75,000.00	515,000.00
			01/15/17	80,000.00	5.00%			
			01/15/18	85,000.00	5.00%			
			01/15/19	90,000.00	5.00%			
			01/15/20	90,000.00	5.00%			
			01/15/21	95,000.00	5.00%			
General Improvement Bonds	12/29/11	395,000.00	12/01/16	45,000.00	5.00%	275,000.00	40,000.00	235,000.00
			12/01/17	45,000.00	5.00%			
			12/01/18	45,000.00	5.00%			
			12/01/19	50,000.00	5.00%			
			12/01/20	50,000.00	5.00%			

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2015**

<b>Purpose</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Maturities of Bonds Outstanding December 31, 2015</b>		<b>Interest Rate</b>	<b>Balance Dec. 31, 2014</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2015</b>
Open Space Bonds	04/24/12	\$470,000.00	12/01/16	\$70,000.00	4.00%	\$355,000.00	\$65,000.00	\$290,000.00
			12/01/17	70,000.00	4.00%			
			12/01/18	75,000.00	4.00%			
			12/01/19	75,000.00	4.00%			
General Improvement Bonds	12/10/13	605,000.00	12/01/16	50,000.00	4.00%	560,000.00	45,000.00	515,000.00
			12/01/17	50,000.00	4.00%			
			12/01/18	50,000.00	4.00%			
			12/01/19	55,000.00	4.00%			
			12/01/20	55,000.00	5.00%			
			12/01/21	60,000.00	5.00%			
			12/01/22	60,000.00	5.00%			
			12/01/23	65,000.00	5.00%			
			12/01/24	70,000.00	5.00%			
General Improvement Bonds	12/09/14	790,000.00	12/01/16	55,000.00	3.00%	790,000.00	55,000.00	735,000.00
			12/01/17	85,000.00	4.00%			
			12/01/18	90,000.00	4.00%			
			12/01/19	90,000.00	4.00%			
			12/01/20	95,000.00	4.00%			
			12/01/21	100,000.00	5.00%			
			12/01/22	110,000.00	5.00%			
			12/01/23	110,000.00	5.00%			

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2015**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
Open Space Bonds	12/09/14	\$585,000.00	12/01/16	\$25,000.00	3.00%	\$585,000.00	\$25,000.00	\$560,000.00
			12/01/17	25,000.00	4.00%			
			12/01/18	25,000.00	4.00%			
			12/01/19	25,000.00	4.00%			
			12/01/20	35,000.00	4.00%			
			12/01/21	35,000.00	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	45,000.00	5.00%			
			12/01/27	45,000.00	5.00%			
			12/01/28	50,000.00	5.00%			
			12/01/29	50,000.00	5.00%			
			12/01/30	50,000.00	5.00%			
						<u>\$4,718,000.00</u>	<u>\$753,000.00</u>	<u>\$3,965,000.00</u>
					<u>Ref.</u>	C		C
Paid by Budget Appropriation					C-4		\$663,000.00	
Paid by Open Space Fund Appropriation					C-4		90,000.00	
							<u>\$753,000.00</u>	

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2015**

	<b><u>Ref.</u></b>		
Balance, December 31, 2014	C		\$25,380.50
Increased by:			
Budget Appropriation	C-2	\$75,000.00	
Reimbursements	C-2	2,100.00	
Improvement Authorizations Cancelled	C-10	<u>46,234.05</u>	
			<u>123,334.05</u>
			148,714.55
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-10		<u>100,300.00</u>
Balance, December 31, 2015	C		<u><u>\$48,414.55</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN TRUST LOANS PAYABLE**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$208,522.32
Decreased by:		
Paid by Budget Appropriation	C-4	<u>22,915.53</u>
Balance, December 31, 2015	C	<u><u>\$185,606.79</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**Year Ended December 31, 2015**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Balance Dec. 31, 2014</b>	<b>2015 Authorizations</b>	<b>Bond Anticipation Notes Issued</b>	<b>Ordinances Cancelled</b>	<b>Balance Dec. 31, 2015</b>
General Improvements:						
931	Various Capital Improvements	\$50,000.00				\$50,000.00
935	Completion of the Borough's Affordable Housing Plan and Related Expenses	285,000.00			\$285,000.00	
947	Acquisition and Improvement of Russell Hall (Building 286) Fort Monmouth Oceanport		\$1,140,000.00		1,140,000.00	
950	Various Capital Improvements		795,700.00	\$795,700.00		
960	Phase 3 of the Borough's East Main Street Improvement Project		390,000.00			390,000.00
Local Improvements:						
866	Construction, Repair, Rehabilitation, Maintenance and Reconstruction of Stormwater Basins at Monmouth Park Racetrack	1,850,221.00				1,850,221.00
		<u>\$2,185,221.00</u>	<u>\$2,325,700.00</u>	<u>\$795,700.00</u>	<u>\$1,425,000.00</u>	<u>\$2,290,221.00</u>
<b>Ref.</b>	(Footnote C)		C-10	C-15	C-10	(Footnote C)



**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**  
**Year Ended December 31, 2015**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Date of Issue of Original Note</u></b>	<b><u>Date of Issue</u></b>	<b><u>Date of Maturity</u></b>	<b><u>Interest Rate</u></b>	<b><u>Increased</u></b>	<b><u>Balance Dec. 31, 2015</u></b>
950	Various Capital Improvements	11/6/15	11/6/15	11/4/16	1.15%	<u>\$795,700.00</u>	<u>\$795,700.00</u>
					<b><u>Ref.</u></b>		C
				Issued for Cash	C-2	<u>\$795,700.00</u>	

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF LEASE OBLIGATIONS PAYABLE**  
**Year Ended December 31, 2015**

**Ref.**

Increased by:		
Lease Obligations Authorized		<u>\$389,000.00</u>
Balance, December 31, 2015	C	<u><u>\$389,000.00</u></u>

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DUE FROM NEW JERSEY ENVIRONMENTAL**  
**INFRASTRUCTURE FINANCING PROGRAM**  
**December 31, 2015 and 2014**

	<b><u>Ref.</u></b>	
Balance, December 31, 2015 and 2014	C	<u><u>\$1,503,119.00</u></u>
		(1)

(1) Represents amount of potential reimbursements receivable relative to the stormwater basins improvement project at Monmouth Park Racetrack.

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS**  
**Year Ended December 31, 2015**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2014</u></b>	<b><u>Additions</u></b>	<b><u>Dispositions</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2015</u></b>
General Fixed Assets:				
Land and Buildings	\$4,597,276.00	\$734,121.95		\$5,331,397.95
Machinery and Equipment	3,852,267.04	22,854.80	\$4,000.00	3,871,121.84
	<u>\$8,449,543.04</u>	<u>\$756,976.75</u>	<u>\$4,000.00</u>	<u>\$9,202,519.79</u>
<b><u>Ref.</u></b>	D			D

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART III**

**COMMENTS SECTION**

**YEAR ENDED DECEMBER 31, 2015**

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2015**

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

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following item:

2015 Road Program  
BBB Boat Launch Facility Improvements  
Community Center ADA Restroom Improvement

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

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

**Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1**

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered."

### **Collection of Interest on Delinquent Taxes and Assessments**

N.J.S. 54:4-67 provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

On January 1, 2015 the governing body adopted the following resolution authorizing interest to be charged for nonpayment of taxes:

BE IT RESOLVED that the Collector of Taxes is authorized to charge eight (8%) percent interest on delinquent taxes with a rate of 1/10<sup>th</sup> of one percent (1%) for the first ten (10) days after each quarterly due date and eight percent (8%) for the first \$1,500 and eighteen percent (18%) for amounts over the first \$1,500 of said delinquent taxes retroactive to the quarterly due date if paid after such ten (10) days.

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

### **Tax Title Liens**

The last tax sale was held on November 16, 2015 and was complete.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

2015	6
2014	6
2013	6

**COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31**

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2015	\$1,245,842.04	\$746,000.00
2014	1,043,567.32	963,000.00
2013	1,125,418.92	1,064,000.00

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND  
APPORTIONMENT**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Municipal	\$.529	\$.519	\$.508
Municipal Open Space	.020	.020	.020
Local School	.806	.806	.784
Regional School	.372	.352	.405
County	.347	.348	.346
Total Tax Rate	<u>\$2.074</u>	<u>\$2.045</u>	<u>\$2.063</u>

**ASSESSED VALUATIONS**

2015	\$1,028,488,106.00
2014	1,032,491,115.00
2013	1,020,133,815.00

**COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently Cash Collections</u>	<u>Percentage of Collections</u>
2015	\$21,419,681.00	\$21,163,162.95	98.80%
2014	21,222,384.32	20,938,515.76	98.66%
2013	21,048,785.61	20,755,420.50	98.61%



### **DELINQUENT TAXES AND TAX TITLE LIENS**

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Title Liens	\$43,272.75	\$38,313.82	\$32,927.28
Delinquent Taxes	<u>249,882.02</u>	<u>260,522.53</u>	<u>253,566.30</u>
Total Delinquent	<u>\$293,154.77</u>	<u>\$298,836.35</u>	<u>\$286,493.58</u>
% of Tax Levy	1.37%	1.41%	1.36%

### **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by tax title lien liquidation, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2015	\$3,300.00
2014	3,300.00
2013	3,300.00

## **SUMMARY OF MUNICIPAL DEBT**

<b><u>Issued</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
General Bonds and Notes	\$4,946,306.79	\$4,926,522.32	\$4,224,986.32
Assessment Bonds and Notes	18,242,774.16	20,643,334.44	21,901,556.72
	<u>23,189,080.95</u>	<u>25,569,856.76</u>	<u>26,126,543.04</u>
Less:			
Open Space Trust (40A:2-44h)	850,000.00	940,000.00	415,000.00
Assessment Fund Cash	165,537.05	165,537.05	165,537.05
Reserve for Repayment of Bonds	6,801.49	6,801.49	6,801.49
Total Deductions	<u>1,022,338.54</u>	<u>1,112,338.54</u>	<u>587,338.54</u>
Net Debt Issued	22,166,742.41	24,457,518.22	25,539,204.50
<b><u>Authorized but not Issued</u></b>			
General Bonds and Notes	440,000.00	335,000.00	665,000.00
Assessment Bonds and Notes	1,850,221.00	1,850,221.00	1,850,221.00
Total Authorized but not Issued	<u>2,290,221.00</u>	<u>2,185,221.00</u>	<u>2,515,221.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$24,456,963.41</u>	<u>\$26,642,739.22</u>	<u>\$28,054,425.50</u>

## **SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.145%.

	<b><u>Gross Debt</u></b>	<b><u>Deductions</u></b>	<b><u>Net Debt</u></b>
Local School District Debt	\$1,365,000.00	\$1,365,000.00	
Regional School District Debt	2,819,582.27	2,819,582.27	
General Debt	25,984,470.25	1,527,506.84	\$24,456,963.41
	<u>\$30,169,052.52</u>	<u>\$5,712,089.11</u>	<u>\$24,456,963.41</u>

Net Debt \$24,456,963.41 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$1,140,224,514.33 equals 2.145%.

## **BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED**

3½% of Equalized Valuation Basis	\$39,907,858.00
Net Debt	24,456,963.41
Remaining Borrowing Power	<u>\$15,450,894.59</u>

## **OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office during the year ended December 31, 2015:

<b><u>Name</u></b>	<b><u>Title</u></b>
Michael J. Mahon	Mayor
Gerald A. Bertekap	Councilman (to March 15, 2015)
Stuart E. Briskey	Councilman (from August 6, 2015)
Christopher Paglia	Councilman
Joseph A. Irace	Councilman
Robert D. Lynch	Councilman (to April 15, 2015)
John A. Patti	Councilman (from April 16, 2015)
Ellynn M. Kahle	Councilwoman
Richard Gallo	Councilman
John O. Bennett	Borough Administrator
Jeanne Smith	Borough Clerk, Assessment Search Officer
Gregory Mayers	Chief Financial Officer (to July 31, 2015)
Catherine LaPorta	Chief Financial Officer (from August 1, 2015)
Peggy Warren	Tax Collector
Richard Thompson	Judge of Municipal Court (to October 23, 2015)
Helen Stone	Judge of Municipal Court (from October 29, 2015)
Carol Smith	Court Administrator

Borough employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Monmouth Municipal Joint Insurance Fund. In addition, Borough employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000.00 by the Municipal Excess Liability Insurance Fund.

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART IV**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2015**

**BOROUGH OF OCEANPORT**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2015**

**Other Internal Control and Compliance Matters:**

**#2015-001**

**Comment**

We noted that the Borough's current fund subsidiary appropriation ledger was not maintained in a manner that recorded all required appropriation related non-cash financial transactions and adjustments.

**Recommendation**

We recommend that the Borough's current fund subsidiary appropriation ledger be maintained in a manner that records all required appropriation related non-cash financial transactions and adjustments, and that a periodic reconciliation be made to the current fund appropriation account as recorded in the current fund general ledger.