

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2016**

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY**

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COUNTY OF MONMOUTH, NEW JERSEY**

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**



HOLMAN | FRENIA
ALLISON, P.C.
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INDEPENDENT AUDITOR’S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Sea Bright
County of Monmouth
Sea Bright, New Jersey 07760

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Sea Bright, County of Monmouth, State of New Jersey as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements as listed 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 accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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.

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 to the financial statements, the Borough of Sea Bright prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws 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, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America” 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 of Sea Bright, County of Monmouth, State of New Jersey, as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Sea Bright, County of Monmouth, State of New Jersey, as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statement of revenues - regulatory basis, statement of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental statements and schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements.

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

Other Reporting Required by Government Auditing Standards

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

June 26, 2017
Freehold, New Jersey

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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*

Honorable Mayor and Members
of the Borough Council
Borough of Sea Bright
County of Monmouth
Sea Bright, New Jersey 07760

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Sea Bright (herein referred to as “the Municipality”), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated June 26, 2017. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by 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, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality’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 Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

June 26, 2017
Freehold, New Jersey

BASIC FINANCIAL STATEMENTS

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BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 3,744,739.14	\$ 4,869,860.01
Change Fund	A-5	350.00	350.00
Petty Cash	A	200.00	200.00
CDBG Essential Services Grant Receivable	A-6	-	244,216.16
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	660.00	1,170.00
		<u>3,745,949.14</u>	<u>5,115,796.17</u>
Receivables and Other Assets			
With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	224,908.09	203,838.94
Tax Title Liens	A-9	10,640.55	10,104.19
Revenue Accounts Receivable	A-10	4,895.18	4,581.06
Prepaid - Local School Taxes	A-17	164,297.48	22,910.48
Due from Sewer Operating	D	55,828.64	-
Due from Beach Operating	E	50,161.75	-
Due from Trust/Other	B	15,547.24	-
Due from Unemployment Trust	B	2,919.60	-
Due from Payroll Trust	B	56,074.58	-
Due from Federal & State Grant Fund	A	1,024,542.21	690,170.13
Due from Animal Control Fund	B	4,218.36	3,490.13
		<u>1,614,033.68</u>	<u>935,094.93</u>
Deferred Charges:			
Community Disaster Loan	A	692,249.03	692,249.03
Special Emergency Authorization	A-11	100,000.00	150,000.00
		<u>792,249.03</u>	<u>842,249.03</u>
		<u>6,152,231.85</u>	<u>6,893,140.13</u>
Federal and State Grants:			
Grants Receivable	A-21	2,732,687.35	2,394,951.79
		<u>2,732,687.35</u>	<u>2,394,951.79</u>
Total Assets		<u>\$ 8,884,919.20</u>	<u>\$ 9,288,091.92</u>

The accompanying Notes to Financials Statements are an integral part of this statement.

BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Liabilities:			
Appropriation Reserves	A-3	\$ 412,000.94	\$ 431,981.72
Encumbrances Payable	A-3	135,505.25	96,115.39
Accounts Payable	A-13	98,618.84	95,491.26
Prepaid Taxes	A-14	207,622.55	157,438.88
County Taxes	A-15	11,547.77	-
Regional High School Taxes	A-16	371,137.30	206,038.86
Tax Overpayments	A-18	85,435.94	70,143.66
Due to State of NJ	A-19	316.00	560.00
Various Reserves	A-20	1,437,072.25	1,521,491.04
Community Disaster Loan Payable	A	692,249.03	692,249.03
Due To:			
General Capital Fund	C	-	283,576.82
Sewer Utility Capital Fund	D	22,575.36	28,321.61
Beach Capital Fund	E	39,646.83	768,892.83
		<u>3,513,728.06</u>	<u>4,352,301.10</u>
Reserve for Receivables and Other Assets	A	1,614,033.68	935,094.93
Fund Balance	A-1	<u>1,024,470.11</u>	<u>1,605,744.10</u>
		<u>6,152,231.85</u>	<u>6,893,140.13</u>
Federal and State Grants:			
Encumbrances Payable	A-22	45,171.09	222,930.01
Reserve For Grants:			
Appropriated	A-22	1,645,526.13	1,475,777.71
Unappropriated	A-23	17,409.95	6,035.97
Due to Current Fund	A-24	1,024,542.21	690,170.13
Due to Beach Capital Fund	E	37.97	37.97
		<u>2,732,687.35</u>	<u>2,394,951.79</u>
Federal and State Grants:		<u>2,732,687.35</u>	<u>2,394,951.79</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 8,884,919.20</u>	<u>\$ 9,288,091.92</u>

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 598,760.68	\$ 800,914.02
Miscellaneous Revenue Anticipated	1,759,173.38	5,102,667.58
Delinquent Taxes	202,357.37	157,643.01
Non-Budget Revenue	354,472.84	167,865.95
Current Taxes	8,760,350.46	8,636,614.74
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	375,788.96	225,514.27
School District Taxes Returned	-	104,788.50
Interfunds Returned	<u>21,851.82</u>	<u>-</u>
Total Revenue	<u>12,072,755.51</u>	<u>15,196,008.07</u>
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	2,083,900.00	1,265,972.25
Other Expenses	2,153,712.12	2,190,600.00
Deferred Charges and Statutory Expenditures	478,117.88	431,891.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	42,500.00	732,648.00
Other Expenses	774,113.18	2,124,407.12
Capital Improvements	50,000.00	75,000.00
Municipal Debt Service	639,690.59	2,537,576.98
Deferred Charges and Statutory Expenditures	50,000.00	110,374.11
County Taxes	1,874,318.79	1,946,159.39
Due County Added Taxes	12,027.59	12,376.92
Regional High School Taxes	2,124,346.00	2,152,991.00
Local District School Tax	849,456.00	773,348.00
Tax Overpayments Charged to Operations	30,700.72	-
Tax Appeals Refunded	13,519.70	-
Local District School Tax Advanced	141,387.00	-
Interfunds Advanced	<u>737,479.25</u>	<u>574,613.00</u>
Total Expenditures	<u>12,055,268.82</u>	<u>14,927,957.77</u>

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Excess/(Deficit) in Revenue	17,486.69	268,050.30
Fund Balance, January 1	<u>1,605,744.10</u>	<u>2,138,607.82</u>
	1,623,230.79	2,406,658.12
Decreased By:		
Utilized as Anticipated Revenue	<u>598,760.68</u>	<u>800,914.02</u>
Fund Balance, December 31	<u>\$ 1,024,470.11</u>	<u>\$ 1,605,744.10</u>

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	Anticipated <u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	Amount <u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 598,760.68	\$ -	\$ 598,760.68	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	39,000.00	-	40,000.00	1,000.00
Other	11,000.00	-	13,881.07	2,881.07
Fines and Costs - Municipal Court	155,785.05	-	130,719.19	(25,065.86)
Interest and Costs on Taxes	38,000.00	-	53,302.67	15,302.67
Interest on Investments	4,500.00	-	3,775.32	(724.68)
Cable Television Franchise Fee	37,214.95	-	37,214.95	-
Energy Receipts	160,827.00	-	160,827.00	-
Uniform Construction Code Fees	170,000.00	-	151,124.40	(18,875.60)
NJDCA non Federal Match Share	416,239.32	-	413,844.60	(2,394.72)
CDBG-Disaster Recovery: Zoning Code Enforcement	-	-	-	-
Click it or Ticket Grant	-	5,000.00	5,000.00	-
NJDEP- Temporary Bulkhead Project (Shore Protection)	-	-	-	-
NJDEP- Phase I Bulkhead Project- Engineering	-	437,466.00	437,466.00	-
Buckle Up In the Park Grant	-	1,800.00	1,800.00	-
Drunk Driving Enforcement Fund	2,805.00	-	2,805.00	-
Clean Communities Program	583.00	-	583.00	-
Smart Growth Grant	2,000.00	-	2,000.00	-
Body Worn Camera Grant	-	3,000.00	3,000.00	-
Drive Sober or Get Pulled Over Grant	-	5,000.00	5,000.00	-
Body Armor Replacement Fund	-	1,382.18	1,382.18	-
Alcohol Education and Rehabilitation Fund	648.00	-	648.00	-
General Capital Fund Balance	200,000.00	-	200,000.00	-
Pedestrian Safety Grant	-	5,000.00	5,000.00	-
Post Sandy Planning Grant	-	89,800.00	89,800.00	-
				-
Total Miscellaneous Revenues	1,238,602.32	548,448.18	1,759,173.38	(27,877.12)
Receipts From Delinquent Taxes	202,283.00	-	202,357.37	74.37
Amount To Be Raised By Taxes For Support of Municipal Budget	4,072,171.00	-	4,272,202.08	200,031.08
Budget Totals	6,111,817.00	548,448.18	6,832,493.51	172,228.33
Non-Budget Revenue	-	-	354,472.84	354,472.84
Total General Revenues	\$ 6,111,817.00	\$ 548,448.18	\$ 7,186,966.35	\$ 526,701.17

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 8,760,350.46
Less: Allocated to School and County Taxes	<u>4,860,148.38</u>
Balance for Support of Municipal Budget Appropriations	3,900,202.08
Add: "Appropriation Reserve for Uncollected Taxes"	<u>372,000.00</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 4,272,202.08</u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 202,357.37</u>
	<u>\$ 202,357.37</u>
Miscellaneous Revenue Not Anticipated:	
MCIA	10,895.59
Sale of Borough Property	16,758.50
Administration Fee - Off Duty Police	29,175.00
Fees and Permits - Health	7,975.00
Parking Revenue	235,380.17
Miscellaneous - Other	<u>54,288.58</u>
	<u>\$ 354,472.84</u>

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
	\$	169,000.00	\$	126,257.21	\$	27,742.79
		65,000.00		80,411.95	10,746.22	8,841.83
		104,000.00		61,362.50	-	27,637.50
		55,000.00		56,979.36	349.82	32,670.82
		68,000.00		49,422.19	-	8,577.81
		50,000.00		47,579.80	885.11	1,535.09
		29,000.00		36,230.00	-	-
		63,500.00		55,210.52	-	3,289.48
		10,500.00		11,387.17	55.89	56.94
		26,100.00		25,863.60	-	736.40
		12,500.00		2,831.02	-	4,668.98
		6,500.00		6,685.13	-	814.87
		115,000.00		113,782.48	-	1,217.52
		50,000.00		67,697.39	-	2,302.61

OPERATIONS - WITHIN "CAPS"

GENERAL GOVERNMENT:

General Administration:

Salaries and Wages

Other Expenses

Municipal Clerk:

Salaries and Wages

Other Expenses

Financial Administration (Treasury):

Salaries and Wages

Other Expenses

Audit Services:

Other Expenses

Revenue Administration (Tax Collection):

Salaries and Wages

Other Expenses

Tax Assessment Administration:

Salaries and Wages

Other Expenses

Computerized Data Processing:

Other Expenses

Legal Services:

Other Expenses

Engineering Services:

Other Expenses

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications		Encumbered	Reserved	
LAND USE ADMINISTRATION						
Planning and Zoning Board of Adjustment:						
Salaries and Wages	36,000.00	36,000.00	33,767.01	-	2,232.99	-
Other Expenses	15,200.00	15,200.00	11,228.53	647.50	3,323.97	-
INSURANCE						
General Liability	60,000.00	75,000.00	73,689.45	-	1,310.55	-
Workmen's Compensation	100,000.00	70,000.00	68,593.81	-	1,406.19	-
Employee Group Health	575,000.00	605,000.00	604,250.74	-	749.26	-
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	1,297,000.00	1,277,000.00	1,238,436.42	-	38,563.58	-
Other Expenses	110,000.00	119,000.00	70,870.79	47,038.24	1,090.97	-
Office of Emergency Management:						
Salaries and Wages	5,500.00	5,500.00	661.50	-	4,838.50	-
Other Expenses	20,000.00	20,000.00	9,903.49	2,976.00	7,120.51	-
Aid to Volunteer Squad:						
Other Expenses	12,500.00	12,500.00	12,500.00	-	-	-
Fire:						
Fire Hydrant Rental	28,000.00	28,000.00	25,301.23	-	2,698.77	-
Other Expenses	52,000.00	52,000.00	18,297.65	19,108.46	14,593.89	-
Municipal Prosecutor's Office:						
Salaries and Wages	14,000.00	14,500.00	14,029.68	-	470.32	-

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC WORKS FUNCTIONS						
Streets and Road Maintenance:						
Salaries and Wages	150,000.00	150,000.00	146,631.69	-	3,368.31	-
Other Expenses	100,000.00	90,000.00	65,089.27	24,118.47	792.26	-
Maintenance of Bulkheads	2,500.00	2,500.00	-	-	2,500.00	-
Buildings and Grounds:						
Salaries and Wages	9,000.00	9,000.00	6,706.34	-	2,293.66	-
Other Expenses	34,000.00	39,000.00	30,305.27	8,410.00	284.73	-
Beautification	7,000.00	2,000.00	59.90	-	1,940.10	-
Solid Waste Disposal:						
Other Expenses	135,000.00	135,000.00	121,208.26	10,291.74	3,500.00	-
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Salaries and Wages	1,000.00	1,000.00	-	-	1,000.00	-
Other Expenses	57,500.00	57,500.00	57,474.00	-	26.00	-
Animal Control Services:						
Other Expenses	7,500.00	7,500.00	3,116.89	-	4,383.11	-
PARK AND RECREATION FUNCTIONS						
Recreation Services and Programs:						
Salaries and Wages	9,000.00	9,000.00	5,400.70	-	3,599.30	-
Other Expenses	9,300.00	9,300.00	7,765.60	782.60	751.80	-
Celebration of Public Events:						
Other Expenses	2,000.00	2,000.00	253.46	-	1,746.54	-
Municipal Court:						
Salaries and Wages	25,000.00	25,000.00	22,424.18	-	2,575.82	-
Other Expenses	3,000.00	3,000.00	2,570.85	-	429.15	-
Public Defender:						
Salaries and Wages	1,000.00	6,000.00	3,469.15	-	2,530.85	-

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications		Encumbered	Reserved	
STATE UNIFORM CONSTRUCTION CODE OFFICIALS						
Construction Code Official:						
Salaries and Wages	183,000.00	153,000.00	141,090.35	-	11,909.65	-
Other Expenses	15,000.00	15,000.00	10,247.16	23.77	4,729.07	-
Fire Marshall:						
Salaries and Wages	11,800.00	11,800.00	10,914.56	-	885.44	-
Other Expenses	1,000.00	1,000.00	500.00	-	500.00	-
Demolition of Unsafe Structures	5,000.00	5,000.00	-	-	5,000.00	-
UTILITY EXPENSE AND BULK PURCHASES						
Electricity	40,000.00	40,000.00	35,515.90	-	4,484.10	-
Street Lighting	35,000.00	35,000.00	29,626.79	-	5,373.21	-
Telephone	40,000.00	40,000.00	34,937.23	209.98	4,852.79	-
Water	10,000.00	10,000.00	1,165.06	-	8,834.94	-
Natural Gas & Propane	30,000.00	20,000.00	7,463.99	-	12,536.01	-
Gasoline	70,000.00	59,482.12	38,688.08	3,142.57	17,651.47	-
LANDFILL / SOLID WASTE DISPOSAL COSTS						
Landfill Disposal Costs	95,000.00	95,000.00	81,156.79	5,778.51	8,064.70	-
Total Operations Within "CAPS"	4,237,900.00	4,236,612.12	3,787,012.09	134,564.88	315,035.15	-
Contingent	1,000.00	1,000.00	-	-	1,000.00	-
Total Operations Including Contingent Within "CAPS"	4,238,900.00	4,237,612.12	3,787,012.09	134,564.88	316,035.15	-
Detail:						
Salaries and Wages	2,172,900.00	2,083,900.00	1,941,647.60	-	142,252.40	-
Other Expenses	2,066,000.00	2,153,712.12	1,845,364.49	134,564.88	173,782.75	-

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Statutory Expenditures:						
Contribution To:						
Public Employees' Retirement System	81,180.00	81,709.30	81,709.30	-	-	-
Social Security System (O.A.S.I.)	96,000.00	96,000.00	92,553.10	-	3,446.90	-
Unemployment Insurance	18,000.00	18,000.00	-	-	18,000.00	-
Defined Contribution Retirement Program	2,000.00	2,000.00	-	-	2,000.00	-
Police and Firemen's Retirement System	279,650.00	280,408.58	280,408.58	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	476,830.00	478,117.88	454,670.98	-	23,446.90	-
Total General Appropriations for Municipal Purposes Within "CAPS"	4,715,730.00	4,715,730.00	4,241,683.07	134,564.88	339,482.05	-
OPERATIONS - EXCLUDED FROM "CAPS"						
Aid to Privately Owned Library (NJSA 40:54-35)						
Salaries and Wages	-	23,000.00	21,311.50	-	1,688.50	-
Other Expenses	45,000.00	22,000.00	6,908.02	710.21	14,381.77	-
Recycling Tax	5,000.00	5,000.00	3,321.22	230.16	1,448.62	-
CDBG Essential Services Funding:						
DPW - Streets and Roads	19,500.00	19,500.00	-	-	19,500.00	-
Salaries and Wages						
Total Other Operations Excluded From "CAPS"	69,500.00	69,500.00	31,540.74	940.37	37,018.89	-

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications		Encumbered	Reserved	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Monmouth County 911 Program	19,000.00	19,000.00	-	-	19,000.00	-
Shrewsbury River Flood Warning	1,500.00	1,500.00	-	-	1,500.00	-
Municipal Court - Oceanport	78,500.00	78,500.00	73,500.00	-	5,000.00	-
Monmouth County Sheriff's Office- 911 Dispatch	82,729.00	82,729.00	82,729.00	-	-	-
Fire Marshall Vehicle - Ocean Township	900.00	900.00	900.00	-	-	-
Total Interlocal Municipal Service Agreements	182,629.00	182,629.00	157,129.00	-	25,500.00	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
State of New Jersey:						
Department of Environmental Protection:						
Clean Communities Program	583.00	583.00	583.00	-	-	-
Body Armor Replacement Fund	-	1,382.18	1,382.18	-	-	-
Post Sandy Planning Grant	-	89,800.00	89,800.00	-	-	-
Pedestrian Safety Grant	-	5,000.00	5,000.00	-	-	-
Drive Sober or Get Pulled Over Grant	-	5,000.00	5,000.00	-	-	-
Matching Funds for Grants	10,000.00	10,000.00	-	-	10,000.00	-
Drunk Driving Enforcement Fund	2,805.00	2,805.00	2,805.00	-	-	-
Alcohol Education and Rehabilitation Fund	648.00	648.00	648.00	-	-	-
Body Worn Camera Grant	-	3,000.00	3,000.00	-	-	-
Click it or Ticket Grant	-	5,000.00	5,000.00	-	-	-
Buckle Up in the Park Grant	-	1,800.00	1,800.00	-	-	-
Smart Growth Grant	2,000.00	2,000.00	2,000.00	-	-	-
NJDEP Phase I Bulkhead Project	-	437,466.00	437,466.00	-	-	-
Total Public and Private Programs Offset By Revenue	16,036.00	564,484.18	554,484.18	-	10,000.00	-
Total Operations - Excluded From "CAPS"	268,165.00	816,613.18	743,153.92	940.37	72,518.89	-

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Detail:						
Salaries and Wages	19,500.00	42,500.00	21,311.50	-	21,188.50	-
Other Expenses	248,665.00	774,113.18	721,842.42	940.37	51,330.39	-
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	50,000.00	50,000.00	50,000.00	-	-	-
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	390,000.00	390,000.00	390,000.00	-	-	-
Interest on Notes	24,145.00	24,145.00	24,077.93	-	-	67.07
Interest on Bonds	135,607.00	135,607.00	119,444.56	-	-	16,162.44
Capital Lease Obligations Approved Prior to 07/12/07:						
Principal	96,300.00	96,300.00	96,300.00	-	-	-
Interest	9,870.00	9,870.00	9,868.10	-	-	1.90
Total Municipal Debt Service - Excluded From "CAPS"	655,922.00	655,922.00	639,690.59	-	-	16,231.41
Deferred Charges - Municipal - Excluded From "CAPS"						

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-54)	50,000.00	50,000.00	50,000.00	-	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	50,000.00	50,000.00	50,000.00	-	-	-
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	1,024,087.00	1,572,535.18	1,482,844.51	940.37	72,518.89	16,231.41
Subtotal General Appropriations	5,739,817.00	6,288,265.18	5,724,527.58	135,505.25	412,000.94	16,231.41
Reserve for Uncollected Taxes	372,000.00	372,000.00	372,000.00	-	-	-
Total General Appropriations	\$ 6,111,817.00	\$ 6,660,265.18	\$ 6,096,527.58	\$ 135,505.25	\$ 412,000.94	\$ 16,231.41
Budget as Adopted	\$ 6,111,817.00					
Added by N.J.S.A. 40A:4-87		548,448.18				
	\$	<u>6,660,265.18</u>				
Analysis of Paid or Charged: Reserve For:						
Uncollected Taxes			\$ 372,000.00			
Federal and State Grants			554,484.18			
Deferred Charges			50,000.00			
Interfund			50,000.00			
Cash Disbursements			5,070,043.40			
			<u>\$ 6,096,527.58</u>			

The accompanying Notes to Financials Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ 4,937.27	\$ 3,474.38
Due from State	B-2	-	163.00
		<u>4,937.27</u>	<u>3,637.38</u>
Other Trust Funds:			
Cash - Trust Other	B-1	<u>624,130.99</u>	<u>407,372.45</u>
Accounts Receivable	B	-	8,408.26
Due From General Capital Fund	B-5	31,294.00	31,294.00
Due From Beach Capital Fund	B-6	<u>16,000.00</u>	<u>16,000.00</u>
		<u>47,294.00</u>	<u>55,702.26</u>
Payroll Agency Fund:			
Cash	B-9	<u>63,597.25</u>	<u>75,797.96</u>
Total Assets		<u>\$ 739,959.51</u>	<u>\$ 542,510.05</u>
<u>Liabilities and Reserves</u>			
Animal Control Fund:			
Due to State	B-2	\$ 8.00	\$ -
Reserve For Animal Control Fund Expenditures	B-3	710.91	147.25
Due Current Fund - Statutory Excess	B-4	<u>4,218.36</u>	<u>3,490.13</u>
		<u>4,937.27</u>	<u>3,637.38</u>
Other Trust Funds:			
Reserve For:			
Accounts Payable	B	-	8,408.26
Due To Current Fund	A	18,466.84	-
Due To Sewer Operating Fund	B-7	299.75	299.75
Various Reserves	B-8	<u>652,658.40</u>	<u>454,366.70</u>
		<u>671,424.99</u>	<u>463,074.71</u>
Payroll Agency Fund:			
Due to Current Fund	A	56,074.58	
Reserve for Payroll	B-9	<u>7,522.67</u>	<u>75,797.96</u>
Total Liabilities and Reserves		<u>\$ 739,959.51</u>	<u>\$ 542,510.05</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Cash	C-2	\$ 69,995.36	\$ 268,295.90
Grants Receivable	C-4	6,394,650.00	1,744,650.00
Due from Home Owner	C-5	24,104.00	24,104.00
Due from Current Fund	C-6	-	283,576.82
Deferred Charges to Future Taxation:			
Funded	C-7	3,156,100.00	3,744,400.00
Unfunded	C-8	7,195,485.00	4,220,485.00
		<u> </u>	<u> </u>
Total Assets		<u>\$ 16,840,334.36</u>	<u>\$ 10,285,511.72</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-9	\$ 3,055,000.00	\$ 3,547,000.00
Bond Anticipation Notes	C-14	1,207,250.00	1,207,250.00
Due to Other Trust Fund	C-10	31,294.00	31,294.00
Equipment Lease	C-11	101,100.00	197,400.00
Encumbrances Payable	C-12	256,761.49	141,158.03
Due to Beach Capital Fund	E	626,592.35	-
Improvement Authorizations:			
Funded	C-12	6,120,025.27	2,159,283.03
Unfunded	C-12	5,119,912.81	2,409,728.22
Capital Improvement Fund	C-13	38,155.87	308,155.87
Various Reserves	C-15	274,328.72	274,328.72
Fund Balance	C-1	9,913.85	9,913.85
		<u> </u>	<u> </u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 16,840,334.36</u>	<u>\$ 10,285,511.72</u>

There were bonds and notes authorized but not issued on December 31, 2016 in the amount of \$5,988,235.00 and on December 31, 2015 in the amount of \$3,013,235.00.

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Operating Fund:			
Cash - Checking	D-4	\$ 663,382.14	\$ 427,377.69
Due from Trust - Other	B	<u>299.75</u>	<u>299.75</u>
		663,681.89	427,677.44
Receivables with Full Reserves:			
Sewer Rents Receivable	D-6	<u>116,082.92</u>	<u>91,584.44</u>
		116,082.92	91,584.44
Deferred Charges:			
Community Disaster Loan	D	<u>415,698.06</u>	<u>415,698.06</u>
Total Deferred Charges		<u>415,698.06</u>	<u>415,698.06</u>
Total Operating Fund		<u>1,195,462.87</u>	<u>934,959.94</u>
Capital Fund:			
Cash - Checking	D-4	157,913.82	158,794.11
Fixed Capital	D-7	1,637,399.80	1,637,399.80
Fixed Capital Authorized and Uncompleted	D-8	626,000.00	626,000.00
Due from Current Fund	A	22,575.36	28,321.61
Due from Sewer Operating Fund	D	<u>20,000.00</u>	<u>15,000.00</u>
Total Capital Fund		<u>2,463,888.98</u>	<u>2,465,515.52</u>
Total Assets		<u>\$ 3,659,351.85</u>	<u>\$ 3,400,475.46</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-3	\$ 209,451.91	\$ 5,512.50
Encumbrances Payable	D-3	5,290.00	6,253.75
Sewer Rent Overpayments	D-10	9,868.70	5,220.62
Accrued Interest on Bonds	D-11	300.00	300.00
Accounts Payable	D-15	175.00	-
Due to Sewer Capital Fund	D	20,000.00	15,000.00
Due to Current Fund	A	55,828.64	-
Community Disaster Loan Payable	D	415,698.06	415,698.06
		<u>716,612.31</u>	<u>447,984.93</u>
Reserve for Receivables	D	116,082.92	91,584.44
Fund Balance	D-1	362,767.64	395,390.57
		<u>478,850.56</u>	<u>486,975.01</u>
Total Operating Fund		<u>1,195,462.87</u>	<u>934,959.94</u>
Capital Fund:			
Bond Anticipation Notes	D-13	332,500.00	332,500.00
Improvement Authorizations:			
Funded	D-12	2,086.46	2,276.42
Unfunded	D-12	-	5,556.29
Encumbrances Payable	D-12	46,495.14	47,375.43
Capital Improvement Fund	D-14	148,452.00	143,452.00
Reserve to Pay Debt	D	3,455.58	3,455.58
Reserve for Amortization	D-15	1,637,399.80	1,637,399.80
Deferred Reserve for Amortization	D-16	293,500.00	293,500.00
Total Capital Fund		<u>2,463,888.98</u>	<u>2,465,515.52</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,659,351.85</u>	<u>\$ 3,400,475.46</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:		
Surplus Anticipated	\$ 85,000.00	\$ 86,080.00
Sewer Rents	645,195.84	601,899.32
Miscellaneous Revenue	17,925.34	12,876.37
FEMA Public Assistance	-	113,996.00
Other Credits To Income:		
Appropriation Reserves Lapsed	<u>5,453.70</u>	<u>36,408.69</u>
Total Revenue	<u>757,358.59</u>	<u>851,260.38</u>
Expenditures:		
Operating:		
Salaries and Wages	145,000.00	135,000.00
Other Expenses	526,350.00	514,000.00
Debt Service	6,631.52	152,542.52
Capital Improvements	10,000.00	5,000.00
Deferred Charges and Statutory Expenditures	17,000.00	6,000.00
Special Emergency Cancelled	<u>-</u>	<u>0.45</u>
	<u>704,981.52</u>	<u>812,542.97</u>
Excess/(Deficit) in Revenue	52,377.07	38,717.41
Fund Balance, January 1	<u>395,390.57</u>	<u>442,753.16</u>
	447,767.64	481,470.57
Decreased By:		
Utilized as Anticipated Revenue	<u>85,000.00</u>	<u>86,080.00</u>
Fund Balance, December 31	<u><u>\$ 362,767.64</u></u>	<u><u>\$ 395,390.57</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus	\$ 85,000.00	\$ 85,000.00	\$ -
Rents - Sewer	600,000.00	642,952.12	42,952.12
Miscellaneous Sewer	5,000.00	3,783.71	(1,216.29)
Additional Sewer User Charges	15,000.00	15,000.00	-
	<u>\$ 705,000.00</u>	<u>\$ 746,735.83</u>	<u>\$ 41,735.83</u>

Analysis of Miscellaneous Revenue Not Anticipated

Miscellaneous	12,756.25
Interest Earned on Investments	<u>5,169.09</u>
	<u>\$ 17,925.34</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			
	Original Budget	Budget After Modifications	Disbursed	Encumbrances	Reserved	Cancelled
Operating:						
Sewer:						
Salaries and Wages	\$ 140,000.00	\$ 145,000.00	\$ 140,982.63	\$ -	\$ 4,017.37	\$ -
Other Expenses	131,350.00	136,350.00	127,879.64	5,290.00	3,180.36	-
Two Rivers Water Reclamation Authority	400,000.00	390,000.00	198,504.00	-	191,496.00	-
Total Operating	<u>671,350.00</u>	<u>671,350.00</u>	<u>467,366.27</u>	<u>5,290.00</u>	<u>198,693.73</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	5,000.00	5,000.00	5,000.00	-	-	-
Capital Outlay	5,000.00	5,000.00	-	-	5,000.00	-
Total Capital Improvements	<u>10,000.00</u>	<u>10,000.00</u>	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>	<u>-</u>
Debt Service:						
Interest on Notes	6,650.00	6,650.00	6,631.52	-	-	18.48
Total Debt Service	<u>6,650.00</u>	<u>6,650.00</u>	<u>6,631.52</u>	<u>-</u>	<u>-</u>	<u>18.48</u>
Statutory Expenditures:						
Contributions To:						
Public Employees Retirement System	5,000.00	5,000.00	5,000.00	-	-	-
Social Security System (O.A.S.I.)	12,000.00	12,000.00	6,241.82	-	5,758.18	-
Total Statutory Expenditures	<u>17,000.00</u>	<u>17,000.00</u>	<u>11,241.82</u>	<u>-</u>	<u>5,758.18</u>	<u>-</u>
Total Sewer Utility Appropriations	<u>\$ 705,000.00</u>	<u>\$ 705,000.00</u>	<u>\$ 490,239.61</u>	<u>\$ 5,290.00</u>	<u>\$ 209,451.91</u>	<u>\$ 18.48</u>
Cash Disbursed			\$ 490,239.61			
Encumbrances			<u>5,290.00</u>			
			<u>\$ 495,529.61</u>			

The accompanying Notes to the Financial Statements are an integral part of this statement.

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Operating Fund:			
Cash	E-5	\$ 972,817.57	\$ 719,231.76
Change Fund	E-6	140.00	40.00
Due From Beach Utility Capital Fund	E-20	<u>200,772.56</u>	<u>350,772.56</u>
Total Operating Fund		<u>1,173,730.13</u>	<u>1,070,044.32</u>
Deferred Charges:			
Community Disaster Loan	E	<u>207,363.21</u>	<u>207,363.21</u>
Total Deferred Charges		<u>207,363.21</u>	<u>207,363.21</u>
Total Operating Fund		<u>1,381,093.34</u>	<u>1,277,407.53</u>
Capital Fund:			
Cash	E-5	75,000.00	75,000.00
Due From Grant Fund	A	37.97	37.97
Due From Current Fund	A	39,646.83	768,892.83
Due From General Capital	C	626,592.35	-
FEMA Receivable	E-7	1,450,000.00	-
Beach Settlements Receivable	E-7	400,000.00	-
Insurance Receivable	E-7	185,000.00	-
Fixed Capital	E-8	80,930.98	80,930.98
Fixed Capital Authorized and Uncompleted	E-9	<u>5,925,000.00</u>	<u>2,325,000.00</u>
Total Capital Fund		<u>8,782,208.13</u>	<u>3,249,861.78</u>
Total Assets		<u>\$ 10,163,301.47</u>	<u>\$ 4,527,269.31</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	E-4	\$ 84,555.26	\$ 30,137.72
Encumbrances Payable	E-4	15,395.73	7,919.30
Accrued Interest on Bonds	E-11	1,450.00	1,450.00
Prepaid Badges	E-12	28,930.00	18,835.00
Accounts Payable	E-18	1,008.95	-
Due to Current Fund	A	50,161.75	-
Community Disaster Loan Payable	E	207,363.21	207,363.21
		<u>388,864.90</u>	<u>265,705.23</u>
Fund Balance	E-1	<u>992,228.44</u>	<u>1,011,702.30</u>
Total Operating Fund		<u>1,381,093.34</u>	<u>1,277,407.53</u>
Capital Fund:			
Bond Anticipation Notes	E-13	1,600,000.00	1,600,000.00
Encumbrances Payable	E-14	138,347.20	136,808.28
Improvement Authorizations:			
Funded	E-14	2,048,919.97	13,259.00
Unfunded	E-14	1,954,200.25	494,053.79
Reserve For:			
Amortization	E-15	91,430.98	91,430.98
Deferred Amortization	E-16	2,569,250.00	456,000.00
Payment of Debt	E-20	13,002.45	13,002.45
Capital Improvement Fund	E-17	150,235.96	78,485.96
Due To Beach Utility Operating Fund	E-21	200,772.56	350,772.56
Due To Other Trust Fund	E-21	16,000.00	16,000.00
Fund Balance	E-2	48.76	48.76
Total Capital Fund		<u>8,782,208.13</u>	<u>3,249,861.78</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 10,163,301.47</u>	<u>\$ 4,527,269.31</u>

There were bonds and notes authorized but not issued at December 31, 2016 of \$1,745,250.00 and at December 31, 2015 of \$258,500.00.

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:		
Operating Surplus Anticipated	\$ 75,000.00	\$ 55,012.00
Beach Fees By Ordinance	598,310.00	603,081.00
FEMA Disaster Assistance	-	106,130.20
Miscellaneous Revenue Not Anticipated	25,991.32	13,815.57
Other Credits To Income:		
Cancellation of Expended Balance of 2016 Appropriations	-	0.20
Appropriation Reserves Lapsed	28,635.93	2,424.37
	<u>727,937.25</u>	<u>780,463.34</u>
Total Revenue		
Expenditures:		
Operating:		
Salaries and Wages	264,000.00	205,000.00
Other Expenses	151,500.00	116,000.00
Debt Service	31,911.11	114,328.93
Capital Improvements	200,000.00	80,000.00
Deferred Charges and Statutory Expenditures	25,000.00	20,000.00
	<u>672,411.11</u>	<u>535,328.93</u>
Excess/(Deficit) in Revenue	55,526.14	245,134.41
Fund Balance, January 1	<u>1,011,702.30</u>	<u>821,579.89</u>
	1,067,228.44	1,066,714.30
Decreased By:		
Utilized as Anticipated Revenue	75,000.00	55,012.00
Fund Balance, December 31	<u>\$ 992,228.44</u>	<u>\$ 1,011,702.30</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

Balance, December 31, 2016 & 2015

\$ 48.76

The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 75,000.00	\$ 75,000.00	\$ -
Beach Fees By Ordinance	589,500.00	598,310.00	8,810.00
Additional Beach Revenue	8,000.00	-	(8,000.00)
MRNA	-	25,991.32	25,991.32
	<u>\$ 672,500.00</u>	<u>\$ 699,301.32</u>	<u>\$ 26,801.32</u>

Analysis of Beach Fees

Current Year Cash Receipts	\$ 579,475.00
Prepaid Badges	<u>18,835.00</u>
	<u>\$ 598,310.00</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original Budget	Budget After Modifications	Expended			
			Disbursed	Encumbered	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 251,000.00	\$ 264,000.00	\$ 262,009.05	\$ -	\$ 1,990.95	\$ -
Other Expenses	131,500.00	118,500.00	105,727.14	3,870.66	8,902.20	-
Dune Maintenance	25,000.00	25,000.00	2,674.92	740.08	21,585.00	-
Junior Lifeguard Program	8,000.00	8,000.00	2,580.95	-	5,419.05	-
Total Operating	415,500.00	415,500.00	372,992.06	4,610.74	37,897.20	
Capital Improvements:						
Capital Improvement Fund	150,000.00	150,000.00	150,000.00	-	-	-
Capital Outlay	50,000.00	50,000.00	-	10,784.99	39,215.01	-
Total Capital Improvements	200,000.00	200,000.00	150,000.00	10,784.99	39,215.01	-
Debt Service:						
Interest on Notes	32,000.00	32,000.00	31,911.11	-	-	88.89
Total Debt Service	32,000.00	32,000.00	31,911.11	-	-	88.89
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	5,000.00	5,000.00	5,000.00	-	-	-
Social Security System (O.A.S.I.)	20,000.00	20,000.00	12,556.95	-	7,443.05	-
Total Statutory Expenditures	25,000.00	25,000.00	17,556.95	-	7,443.05	-
Total Beach Utility Appropriations	\$ 672,500.00	672,500.00	\$ 572,460.12	\$ 15,395.73	\$ 84,555.26	\$ 88.89

The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
Land	F-1	\$ 9,503,700.00	\$ 9,503,700.00
Building	F-1	1,096,300.00	1,096,300.00
Machinery and Equipment	F-1	<u>3,195,769.07</u>	<u>2,889,872.61</u>
Total General Fixed Assets	F-1	<u>\$ 13,795,769.07</u>	<u>\$ 13,489,872.61</u>
Investment in General Fixed Assets		<u>\$ 13,795,769.07</u>	<u>\$ 13,489,872.61</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Borough of Sea Bright, County of Monmouth, New Jersey ("Borough") operates under the Borough form of New Jersey municipal government, and is governed mayor and a 6-member borough council. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5.

Component Units

The Borough of Sea Bright had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and 61.

Basis of Accounting, Measurement Focus and Basis of Presentation

The financial statements of the Borough of Sea Bright contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Sea Bright accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Trust Funds – various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Sewer Utility Operating and Capital Funds - are used to account for sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the sewer utility to the general public be financed through user fees. Operations relating to the acquisition of sewer capital facilities are recorded within the Sewer Utility Capital Fund.

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

General Fixed Asset Account Group - to account for fixed assets used in general government operations.

BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current, open space trust and sewer utility funds in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the Borough. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40AA-9*. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to

BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Fund Balances - Fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the

Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Monmouth, the Oceanport Board of Education and the Shore Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Oceanport Board of Education and the Shore Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31 and for the regional high school district the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2015 and decreased by the amount deferred at December 31, 2016.

County Taxes - The Borough is responsible for levying, collecting, and remitting county taxes for the County of Gloucester. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by May 5th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid; however, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with *N.J.A.C.5:30-5.2*. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2016, the Municipality implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the Municipality is required to measure certain investments at fair value for financial reporting purposes. In addition, the Municipality is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the Municipality's financial statements.

The Municipality implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the Municipality's financial statements.

The Municipality implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the Municipality's financial statements.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. Implementation of this Statement did not impact the Municipality's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the Municipality's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the Municipality's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Municipality's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management does expect this Statement to impact the Municipality's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Municipality's financial statements.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Municipality's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended December 31, 2017. Management has not yet determined the potential impact on the Municipality's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Municipality's financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Municipality's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Municipality's financial statements.

Subsequent Events - The Borough of Sea Bright has evaluated subsequent events occurring after December 31, 2016 through the date of June 26, 2017 which is the date the financial statements were available to be issued.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 2. Cash and Cash Equivalents

The Borough is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2016 and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	6,376,483.54
Total Deposits	\$ 6,376,483.54

The Borough's Cash and Cash Equivalents are Reported as Follows:

Current Fund	\$ 3,744,739.14
Animal Control Fund	4,937.27
Trust Other Funds	624,130.99
Payroll Trust	63,567.25
General Capital Fund	69,995.36
Sewer Operating Fund	663,382.14
Sewer Capital Fund	157,913.82
Beach Utility Operating Fund	972,817.57
Beach Utility Capital Fund	75,000.00
Total Cash and Cash Equivalents	\$ 6,376,483.54

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding 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 the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Borough 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 Borough relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2016, the Borough's bank balance of \$6,442,030.91 was insured or collateralized as follows:

Insured	\$ 250,007.52
Uninsured and Uncollateralized	724,477.97
NJ Cash Management	47.07
Collateralized in the Borough's name under GUDPA	5,467,498.35
	\$ 6,442,030.91

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 3. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2016 is as follows:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 1,209,292.38	\$ 62,222.19
Grant Fund	-	1,024,580.18
Animal Control Trust Fund	-	4,218.36
Trust Other Fund	47,294.00	74,841.17
General Capital Fund	-	657,886.35
Sewer Operating Fund	299.75	75,828.64
Sewer Capital Fund	42,575.36	-
Beach Operating Fund	200,772.56	50,161.75
Beach Capital Fund	666,277.15	216,772.56
	<u>\$ 2,166,511.20</u>	<u>\$ 2,166,511.20</u>

The summary of interfund transfers follows:

Fund	Due From	Due To
Current Fund		\$ 1,584,196.50
Grant Fund	1,443,502.78	1,109,130.70
Animal Control Trust	723.54	
Other Trust Fund	254,238.01	179,696.59
General Capital Fund	1,388,469.71	1,054,892.89
Sewer Utility Operating	491,321.03	435,492.39
Sewer Utility Capital	6,626.54	880.29
Beach Utility Operating	436,872.26	386,710.51
Beach Utility Capital	729,246.00	
	<u>\$4,750,999.87</u>	<u>\$4,750,999.87</u>

The purpose of these interfunds is short-term borrowing.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 4. Property Taxes

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

Comparison of Tax Rate Information

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Tax Rate	\$ 1.305	\$ 2.006	\$ 1.997
Apportionment of Tax Rate:			
Municipal	0.596	0.892	0.808
County	0.274	0.445	0.481
Local School	0.124	0.177	0.122
Regional School	0.311	0.492	0.586

Net Valuation Taxable:

2016	<u>\$ 683,634,536.00</u>		
2015		<u>\$ 437,700,056.00</u>	
2014			<u>\$ 464,246,587.00</u>

Comparison of Tax Levies and Collection Currently

Year	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2016	8,985,794.91	8,760,350.46	97.49%
2015	8,841,470.72	8,636,614.74	97.68%
2014	9,330,829.11	9,169,206.43	98.27%

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 4. Property Taxes (continued):

Delinquent Taxes and Tax Title Liens

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2016	\$ 10,640.55	\$ 224,908.09	\$ 235,548.69	2.62%
2015	10,104.19	203,838.94	213,943.13	2.42%
2014	9,087.15	157,643.01	166,730.16	1.79%

Comparison of Sewer Utility Rents Levied

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>	<u>Collection Percentage</u>
2016	\$ 669,694.32	\$ 91,584.44	\$ 642,952.12	84.46%
2015	659,065.69	34,418.07	599,924.33	86.51%
2014	564,341.47	88,609.62	618,533.02	94.73%

Note 5. Property Acquired By Tax Title Lien Liquidation

The Borough had no properties acquired by municipal tax title lien at December 31, 2016.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 6. Deferred Charges to be Raised In Succeeding Years' Budgets

The following deferred charges are shown on the December 31, 2016 Balance Sheets and will be raised in succeeding years' budgets:

Current Fund:

Community Disaster Loan	\$ 692,249.03
Special Emergency Authorizations (N.J.S.A. 40 A: 4-55)	100,000.00
	\$ 792,249.03

Sewer Utility Operating Fund:

Community Disaster Loan	\$ 415,698.06
	\$ 415,698.06

Beach Utility Operating Fund:

Community Disaster Loan	\$ 207,363.21
	\$ 207,363.21

Note 7. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Balance</u>
2016	\$ 1,024,470.11	\$ 554,172.74	54.09%
2015	1,605,744.10	598,760.68	37.29%
2014	2,138,607.82	800,914.02	37.45%
2013	1,852,124.43	420,000.00	22.68%
2012	638,870.40	-	0.00%

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 7. Fund Balances Appropriated (continued):

Sewer Utility Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Balance</u>
2016	\$ 362,767.64	\$ 90,850.00	25.04%
2015	395,390.57	85,000.00	21.50%
2014	442,743.66	86,080.00	19.44%
2013	536,962.04	100,481.00	18.71%
2012	192,274.52	-	0.00%

Beach Utility Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Balance</u>
2016	\$ 992,228.44	\$ 80,000.00	8.06%
2015	1,011,702.30	75,000.00	7.41%
2014	821,579.89	55,012.00	6.70%
2013	725,517.49	68,832.00	9.49%
2012	186,298.69	-	0.00%

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml. The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Components of Net Pension Liability - At December 31, 2016, the Municipality reported a liability of \$2,601,775 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

Municipality's proportion measured as of June 30, 2016, was .00878, which was a decrease of .00183% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 & December 31, 2015		
	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	941,732.00	636,259.00
Deferred Inflows of Resources	412,562.00	187,755.00
Net Pension Liability	2,601,775.00	2,380,752.00
Municipality's Portion of the Plan's Total		
Net Pension Liability	0.01061%	0.00878%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 48,385.00	\$ -
Changes of Assumptions	538,949.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	99,208.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	255,190.00	412,562.00
	\$ 941,732.00	\$ 412,562.00

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

Year Ending Dec 31,	PERS
2017	\$ 134,687.00
2018	134,689.00
2019	158,586.00
2020	124,910.00
2021	(23,702.00)
	\$ 529,170.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

	<u>PERS</u>
Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

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

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

Sensitivity of the Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

Decrease (2.98%)	Discount Rate (3.98%)	Increase (4.98%)
---------------------	--------------------------	---------------------

Municipality's proportionate share of the
Net Pension Liability and the State's

Proportionate Share of the Net Pension

Liability associated with the Municipality	\$ 3,188,171.58	\$ 2,601,775.00	\$ 2,117,653.78
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B. Police and Firemen’s Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen’s Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for PFRS:

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

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Municipality contributions to PFRS amounted to \$288,688.00 for 2016.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2016, the Municipality's proportionate share of the PFRS net pension liability is valued to be \$6,763,651.00. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .03541%, which was an increase of .00101% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 & December 31, 2015

Actuarial Valuation Date (including roll Forward)	<u>12/31/16</u> June 30, 2016	<u>12/31/15</u> June 30, 2015
Deferred Outflows of Resources	1,931,724.00	1,583,703.00
Deferred Inflows of Resources	44,437.00	149,160.00
Net Pension Liability	6,763,651.00	5,730,441.00
 Municipality's Portion of the Plan's Total Net Pension Liability	 0.03541%	 0.03440%

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 44,437.00
Changes of Assumptions	936,821.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	473,915.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	<u>520,988.00</u>	<u>-</u>
	<u>\$ 1,931,724.00</u>	<u>\$ 44,437.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense as follows:

Year Ending	
<u>Dec 31,</u>	<u>PFRS</u>
2017	\$ 469,022.00
2018	469,023.00
2019	570,353.00
2020	322,418.00
2021	<u>56,471.00</u>
	<u>\$ 1,887,287.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the net pension liability attributable to the Municipality is \$567,979.00 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The State's proportion of the net pension liability associated with the Municipality was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2016 was .03541%, which was an increase of .00101% from its proportion measured as of June 30, 2015, which is the same proportion as the Municipality's.

Municipality's Proportionate Share of the Net Pension Liability	\$ 6,763,651.00
State's Proportionate Share of the Net Pension Liability Associated with the Municipality	567,979.00
	567,979.00
Total Net Pension Liability	\$ 7,331,630.00
	7,331,630.00

For the year ended December 31, 2016, the Municipality's total allocated pension expense was \$869,053.00.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

<u>PERS</u>	
Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

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

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

	Decrease (4.55%)	Discount Rate (5.55%)	Increase (6.55%)
Municipality's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Municipality	\$ 9,453,599.29	\$ 7,331,630.00	\$ 5,601,291.68

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 8. Pension Obligations (continued):

C. 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 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1* et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

As of December 31, 2016, the Township did not have any employees participating in the Defined Contribution Retirement Program.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 9. Capital Debt

Summary of Municipal Debt

	2016	2015	2014
Issued:			
General Capital Fund:			
Bonds, Notes and Loans	\$ 4,262,250.00	\$ 4,754,250.00	\$ 4,000,000.00
Sewer Utility Fund:			
Bonds, Notes and Loans	332,500.00	332,500.00	36,000.00
Beach Utility Fund:			
Bonds, Notes and Loans	1,600,000.00	1,600,000.00	840,000.00
	<hr/>	<hr/>	<hr/>
Total Issued	\$ 6,194,750.00	\$ 6,686,750.00	\$ 4,876,000.00
Deductions:			
Funds on Hand to Pay Bonds, Notes and Loans			
	260,460.73	261,111.86	251,423.76
Self Liquidating Debt:			
	1,932,500.00	1,858,500.00	1,858,500.00
	<hr/>	<hr/>	<hr/>
	2,192,960.73	2,119,611.86	2,109,923.76
	<hr/>	<hr/>	<hr/>
Net Debt Issued	\$ 4,001,789.27	\$ 4,567,138.14	\$ 2,766,076.24
Authorized but Not Issued:			
General Capital Fund:			
Bonds and Notes	5,988,235.00	3,013,235.00	2,298,235.00
Sewer Utility Fund:			
Bonds and Notes	-	-	332,500.00
Beach Utility Fund:			
Bonds and Notes	1,745,250.00	258,500.00	1,018,500.00
	<hr/>	<hr/>	<hr/>
Total Authorized but not Issued	7,733,485.00	3,271,735.00	3,649,235.00
	<hr/>	<hr/>	<hr/>
Net Bonds and Notes Issued & Authorized but Not Issued	11,735,274.27	7,838,873.14	6,415,311.24

Summary of Statutory Debt Condition - Annual Debt Statement - Amended

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement - Amended and indicates a statutory net debt of 1.518%.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 9. Capital Debt (continued):

	Gross Debt	Deductions	Net Debt
Regional School Debt	\$ 1,880,069.29	\$ 1,880,069.29	\$ -
General Debt	10,250,485.00	260,460.73	9,990,024.27
Sewer Utility Debt	332,500.00	332,500.00	-
Beach Utility Debt	3,086,750.00	3,086,750.00	-
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 15,549,804.29</u>	<u>\$ 5,559,780.02</u>	<u>\$ 9,990,024.27</u>

Net Debt \$ 9,990,024.27 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$658,048,290.00 is 1.518%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 23,031,690.15
Less: Net Debt	<u>9,990,024.27</u>
Remaining Borrowing Power	<u>\$ 13,041,665.88</u>

Calculation of Self - Liquidating Purpose - Sewer Utility Fund per NJS 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 664,661.17
Deductions:	
Operating Maintenance Costs and Statutory Expenditures	\$483,898.09
Debt Service per Sewer Utility Account	<u>6,631.52</u>
Total Deductions	<u>490,529.61</u>
Excess/(Deficit) in Revenues*	<u>\$ 174,131.56</u>

*If Deficit in Revenues the Sewer Utility Debt is not Deductible.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 9. Capital Debt (continued):

Calculation of Self - Liquidating Purpose - Beach Utility Fund per NJS 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for the Year		\$ 634,396.32
Deductions:		
Operating Maintenance Costs and Statutory Expenditures		\$ 395,159.75
Debt Service per Beach Utility Account		<u>31,911.11</u>
Total Deductions		<u>427,070.86</u>
Excess/(Deficit) in Revenues*		<u><u>\$ 207,325.46</u></u>

*If Excess in Revenues the Beach Utility Debt is Deductible

A. Serial Bonds Payable

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Bonded Debt Issued and Outstanding:

General Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 400,000.00	\$ 168,357.00	\$ 568,357.00
2018	400,000.00	100,312.50	500,312.50
2019	430,000.00	83,237.50	513,237.50
2020	220,000.00	70,562.50	290,562.50
2021	225,000.00	60,562.50	285,562.50
2022-2026	1,130,000.00	144,512.50	1,274,512.50
2027-2029	<u>250,000.00</u>	<u>8,125.00</u>	<u>258,125.00</u>
	<u><u>\$ 3,055,000.00</u></u>	<u><u>\$ 635,669.50</u></u>	<u><u>\$ 3,690,669.50</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 9. Capital Debt (continued):

B. Bond Anticipation Notes Payable

The Borough issues bond anticipation notes to temporarily fund various 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 ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

On December 31, 2016, the Borough's outstanding bond anticipation notes were as follows:

<u>General Capital Fund</u>			
<u>Ordinance Number</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
18-13	Various Improvements	1.47%	\$ 300,000.00
21-13	Improvements to Municipal Facilities	1.47%	570,000.00
11-15	Various Improvements	1.47%	171,000.00
14-15	Acquisition of Equipment	1.47%	<u>166,250.00</u>
			<u>\$ 1,207,250.00</u>
<u>Sewer Capital Fund</u>			
<u>Ordinance Number</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
01-14	Sewer Utility Improvements	1.47%	<u>\$ 332,500.00</u>
<u>Beach Capital Fund</u>			
<u>Ordinance Number</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
12-12	Sand Replenishment	1.47%	\$ 840,000.00
19-13	Beach Improvements	1.47%	570,000.00
02-14	Beach Improvements	1.47%	<u>190,000.00</u>
			<u>\$ 1,600,000.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 9. Capital Debt (continued):

C. Capital Lease Obligations

A second equipment lease was entered into with the Authority on October 4, 2007 for \$822,600.00 for principal payments from \$65,600.00 to \$101,100.00 terminating in September 2017 at an interest rate of 5.00%.

Debt service requirements for Capital Lease obligations during the next several years are as follows:

General Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 101,100.00	\$ 5,055.00	\$ 106,155.00
	<u>\$ 101,100.00</u>	<u>\$ 5,055.00</u>	<u>\$ 106,155.00</u>

D. Bonds and Notes Authorized But Not Issued

At December 31, 2016, the Borough had authorized but not issued bonds and notes of the General Capital Fund in the amount of \$5,988,235.00 and the Beach Utility Fund in the amount of \$1,745,250.00.

E. Summary of Changes in Capital Debt

During the fiscal year ended December 31, 2016 the following changes occurred in capital debt:

	<u>December 31, 2015</u>	<u>Accrued/ Increases</u>	<u>Retired/ Decreases</u>	<u>December 31, 2016</u>	<u>Due Within One Year</u>
General Capital Fund:					
General Serial Bonds	\$ 3,547,000.00	\$ 1,045,000.00	\$(1,537,000.00)	\$ 3,055,000.00	\$ 400,000.00
Bond Anticipation Notes	1,207,250.00	1,207,250.00	(1,207,250.00)	1,207,250.00	1,207,250.00
Authorized but not Issued	3,013,235.00	4,275,000.00	(1,300,000.00)	5,988,235.00	-
Total General Capital	<u>\$ 7,767,485.00</u>	<u>\$ 6,527,250.00</u>	<u>\$(4,044,250.00)</u>	<u>\$ 10,250,485.00</u>	<u>\$ 1,607,250.00</u>
Sewer Utility Capital Fund					
Bond Anticipation Notes	\$ 332,500.00	\$ 332,500.00	\$(332,500.00)	\$ 332,500.00	\$ 332,500.00
Total Sewer Utility Capital	<u>\$ 332,500.00</u>	<u>\$ 332,500.00</u>	<u>\$(332,500.00)</u>	<u>\$ 332,500.00</u>	<u>\$ 332,500.00</u>
Beach Utility Capital Fund					
Bond Anticipation Notes	\$ 1,600,000.00	\$ 1,600,000.00	\$(1,600,000.00)	\$ 1,600,000.00	\$ 1,600,000.00
Authorized but not Issued	258,500.00	1,486,750.00		\$ 1,745,250.00	-
Total Beach Utility Capital	<u>\$ 1,858,500.00</u>	<u>\$ 3,086,750.00</u>	<u>\$(1,600,000.00)</u>	<u>\$ 3,345,250.00</u>	<u>\$ 1,600,000.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 10. FEMA Community Disaster Loan

On March 19, 2013, the Borough submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$1,297,273.00 in relation to Super Storm Sandy losses and expenditures. The Borough drew down \$1,297,273.00 of the total amount.

The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed. 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 applicant 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.

This amount was recognized as revenue for the year ended December 31, 2013 in the Current Fund, Sewer Utility Fund, and in the Beach Utility Fund.

Note 11. Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough’s liability related to unused vacation and sick pay. Effective for financial statements dated December 31, 1987, the State has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end.

The Borough has permitted employees to accrue unused vacation and sick leave, which may be taken off or paid at a later date with the exception of sick leave. The Borough estimated the current cost of such unpaid compensation as of December 31, 2016 to be approximately \$569,270.94. The amount is not reported either as an expenditure or liability.

Note 12. New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s trust fund for the current and previous two years:

Fiscal Year	Borough Contributions	Amount Reimbursed	Ending Balance
2016	\$ 7.47	\$ 10,041.58	\$ 2,078.77
2015	15,009.20	6,565.23	12,112.88
2014	29,002.99	26,215.78	3,668.91

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 13. Contingent Liabilities

State and Federal Grants

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2016, the Borough estimates that no material liabilities will result from such audits.

Pending Litigation

There are actions which have been instituted against the Borough which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Borough.

Note 14. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Borough is a member of the Monmouth County Municipal Joint Insurance Fund. The joint insurance pool 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. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property, general liability, auto liability, public official liability, law enforcement liability and workman's compensation.

Note 15. Post-Employment Benefits

In 2010, the Borough started contributing to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1991, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 91-243.

Eligibility to participate in the SHBP's post-retirement benefit program begins after 25 years of credited service with the Borough. During 2009, the Borough adopted resolution number 2008-390 under the provisions of N.J.S.A. 52:14-17.38. This resolution requires that non-union employees must work 15 years or more within the Borough in order to be eligible for health benefits upon retirement. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 15. Post-Employment Benefits (continued):

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly-available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

Funding Policy

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. Plan members or beneficiaries receiving benefits do not make any contributions.

Note 16. Deferred Compensation Program

The Borough has instituted a Deferred Compensation Plan (“Plan”) pursuant to 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 New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

Note 17. Local School District and Regional High School Taxes

Local District School and Regional High School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 provides that any municipality that levies school taxes on a school year basis may defer from the municipal purposes tax levy 50% of the levy. The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. At year end, taxes due to the District consisted of the following:

	Local District School Tax		Regional High School Tax	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Balance of Tax	\$ 117,614.02	\$ 259,001.02	\$ 1,281,145.61	\$ 1,116,047.17
Deferred	281,911.50	281,911.50	910,008.31	910,008.31
Tax Payable / (Receivable)	\$ (164,297.48)	\$ (22,910.48)	\$ 371,137.30	\$ 206,038.86

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2016**

Note 18. General Fixed Assets

Fixed Assets activity for the year ended December 31, 2016 was as follows:

	Balance January 1, 2016	Increases	Balance December 31, 2016
Land	\$ 9,503,700.00	\$ -	\$ 9,503,700.00
Buildings & Improvements	1,096,300.00	-	1,096,300.00
Machinery, Equipment & Vehicles	2,889,872.61	305,896.46	3,195,769.07
Total Fixed Assets	<u>\$ 13,489,872.61</u>	<u>\$ 305,896.46</u>	<u>\$ 13,795,769.07</u>

Note 19. Accounts Receivable

Accounts receivable at December 31, 2016 consisted of intergovernmental grants, taxes and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Borough's individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	General Capital Fund	Sewer Utility Fund	Total
Fed & State Aid	\$ -	\$ 2,732,687.35	\$ 6,394,650.00	\$ -	\$ 9,127,337.35
Taxes	235,548.64	-	-	-	235,548.64
Utility Rents	-	-	-	116,082.92	116,082.92
Other	4,895.18	-	24,104.00	-	28,999.18
Total	<u>\$ 240,443.82</u>	<u>\$ 2,732,687.35</u>	<u>\$ 6,418,754.00</u>	<u>\$ 116,082.92</u>	<u>\$ 9,507,968.09</u>

SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR/TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Current Fund	
Balance, December 31, 2015		\$ 4,869,860.01
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	354,472.84	
Veterans and Senior Citizens	13,260.00	
Taxes Receivable	8,802,764.81	
Revenue Accounts Receivable	822,180.60	
Prepaid Taxes	205,693.10	
Tax Overpayments	0.00	
Due to State of NJ	716.00	
Various Reserves	182,509.10	
CDBG Essential Services Grant	244,216.66	
Grants Receivable	210,712.62	
Reserve for Federal and State Grants - Unappropriated	17,409.98	
		10,853,935.71
		15,723,795.72
Decreased By Disbursements:		
2016 Budget Appropriations	5,070,043.40	
Appropriation Reserves	132,398.25	
Accounts Payable	16,782.32	
County Taxes	1,874,798.61	
Regional High School Taxes	1,959,247.56	
Local School Taxes	990,843.00	
Due to State of NJ	960.00	
Due To:		
General Capital Fund	333,576.82	
Beach Operating Fund	50,161.75	
Beach Capital Fund	729,246.00	
Payroll Trust	56,074.58	
Unemployment Trust	2,919.60	
Animal Control Fund	723.54	
Trust Other	15,547.24	
Sewer Capital Fund	5,746.25	
Sewer Operating Fund	55,828.64	
Tax Overpayments Disbursed	37,245.05	
Various Reserves	84,419.29	
Reserve for Federal and State Grants	562,494.68	
		11,979,056.58
Balance, December 31, 2016		\$ 3,744,739.14

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF CHANGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015	\$ <u>350.00</u>
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**SCHEDULE OF DUE FROM CDBG ESSENTIAL SERVICES GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 244,216.16
Increased By:	
Transfer overpayment to Reserve for Disaster Relief	<u>0.50</u>
	244,216.66
Decreased By:	
Cash Receipts	<u>244,216.66</u>
Balance, December 31, 2016	\$ <u><u>-</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 1,170.00
Increased By:		
Senior Citizens' Deductions Per Billing	\$ 1,000.00	
Veterans' Deductions Per Tax Billing	<u>11,750.00</u>	
		<u>12,750.00</u>
		13,920.00
Decreased By:		
Cash Receipts	<u>13,260.00</u>	
		<u>13,260.00</u>
Balance, December 31, 2016		<u><u>\$ 660.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Year</u>	Balance December 31, <u>2015</u>	2016 <u>Levy</u>	Added <u>Taxes</u>	<u>2015</u> Collections	<u>2016</u> Collections	Senior Citizens' and Veterans' <u>Deductions</u>	Transfer to <u>Liens</u>	<u>Cancelled</u>	Balance December 31, <u>2016</u>
2015	\$ 203,838.94	\$ -	\$ -	\$ -	\$ 202,357.37	\$ -	\$ -	\$ 1,481.57	\$ 0.00
2016	-	8,921,433.48	64,361.43	157,438.88	8,590,161.58	12,750.00	536.36	-	224,908.09
	\$ 203,838.94	\$ 8,921,433.48	\$ 64,361.43	\$ 157,438.88	\$ 8,792,518.95	\$ 12,750.00	\$ 536.36	\$ 1,481.57	\$ 224,908.09

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax:

General Property Tax

Added and Omitted Taxes

\$ 8,921,433.48
64,361.43

\$ 8,985,794.91

Tax Levy:

Regional High School Tax

Local District School Tax

County Tax

County Added Taxes

\$ 2,124,346.00
849,456.00
\$ 1,874,318.79
12,027.59
1,886,346.38

Local Taxes for Municipal Purposes

Add: Additional Tax Levied

4,072,171.00
53,475.53
4,125,646.53

\$ 8,985,794.91

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 10,104.19
Increased By:	
Transfers From Taxes Receivable	<u>536.36</u>
Balance, December 31, 2016	<u><u>\$ 10,640.55</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Accrued in <u>2016</u>	<u>Collections</u>	Balance December 31, <u>2016</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 40,000.00	\$ 40,000.00	\$ -
Other	-	13,881.07	13,881.07	-
Fines and Costs - Municipal Court	4,581.06	131,033.31	130,719.19	4,895.18
Interest and Costs on Taxes	-	53,302.67	53,302.67	-
Interest on Investments	-	3,775.32	3,775.32	-
Cable Television Franchise Fee	-	37,214.95	37,214.95	-
NJ DCA Non-Federal Match Share	-	413,844.60	413,844.60	-
Energy Receipts	-	160,827.00	160,827.00	-
Uniform Construction Code Fees	-	151,124.40	151,124.40	-
	<hr/>			
	\$ 4,581.06	\$ 1,005,003.32	\$ 1,004,689.20	\$ 4,895.18
	<hr/>			

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Year</u>	<u>Description</u>	<u>Amount</u>	Balance December 31, <u>2015</u>	Raised in 2016 <u>Budget</u>	Balance December 31, <u>2016</u>
<u>N.J.S.A. 40A:4-55:</u>					
2014	Revaluation	250,000.00	\$ 150,000.00	\$ 50,000.00	\$ 100,000.00
			<u>\$ 150,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 100,000.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>December 31, 2015</u>		<u>Balance After Modifications</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbrances</u>			
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 5,833.10	\$ -	\$ 5,833.10	\$ -	\$ 5,833.10
Other Expenses	15,060.53	11,384.66	26,445.19	10,551.04	15,894.15
Municipal Clerk:					
Salaries and Wages	4,088.80	-	4,088.80	-	4,088.80
Other Expenses	14,059.07	231.81	14,290.88	4,081.31	10,209.57
Financial Administration (Treasury):					
Salaries and Wages	3,248.21	-	3,248.21	-	3,248.21
Other Expenses	9,008.18	7,844.12	16,852.30	1,259.25	15,593.05
Audit Service:					
Other Expenses	7,450.00	-	7,450.00	300.00	7,150.00
Revenue Administration (Tax Collection):					
Salaries and Wages	1,710.70	-	1,710.70	-	1,710.70
Other Expenses	2,333.50	112.68	2,446.18	112.68	2,333.50
Tax Assessment Administration:					
Salaries and Wages	1,105.03	-	1,105.03	-	1,105.03
Other Expenses	5,406.98	-	5,406.98	-	5,406.98
Computerized Data Processing:					
Other Expenses	2,416.00	-	2,416.00	515.00	1,901.00
Legal Services:					
Other Expenses	5,077.00	-	5,077.00	4,186.58	890.42
Engineering Services:					
Other Expenses	3,946.58	-	3,946.58	785.38	3,161.20
LAND USE ADMINISTRATION					
Planning and Zoning Board of Adjustment:					
Salaries and Wages	2,078.09	-	2,078.09	-	2,078.09
Other Expenses	2,327.04	104.79	2,431.83	670.64	1,761.19
INSURANCE					
General Liability	18,719.21	-	18,719.21	6,458.40	12,260.81
Workmen's Compensation	12,447.27	-	12,447.27	-	12,447.27
Employee Group Health	45,032.77	1,008.00	46,040.77	1,008.00	45,032.77
Unemployment			-		-
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	23,715.97	-	23,715.97	-	23,715.97
Other Expenses	23,469.29	20,257.95	43,727.24	33,058.12	10,669.12
Police Dispatch/9-1-1:					
Salaries and Wages	1,532.02	-	1,532.02	-	1,532.02
Other Expenses			-	-	-
Emergency Management Services:					
Salaries and Wages	1,863.20	-	1,863.20	-	1,863.20
Other Expenses	3,418.43	130.00	3,548.43	3,230.95	317.48
Fire:					
Fire Hydrant Rental	6,679.85		6,679.85	4,413.71	2,266.14
Other Expenses	2,478.27	22,419.49	24,897.76	23,666.07	1,231.69
Prosecutor's Office:					
Salaries and Wages	567.35	-	567.35	-	567.35

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>December 31, 2015</u>		<u>Balance After Modifications</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbrances</u>			
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	6,069.61	-	6,069.61	-	6,069.61
Other Expenses	19,710.29	10,690.55	30,400.84	11,734.81	18,666.03
Maintenance of Bulkheads	2,500.00	-	2,500.00	-	2,500.00
Buildings and Grounds:					
Salaries and Wages	2,458.74	-	2,458.74	-	2,458.74
Other Expenses	8,118.91	3,984.47	12,103.38	4,292.14	7,811.24
Beautification	500.60	-	500.60	-	500.60
Solid Waste Disposal:					
Other Expenses	937.55	9,542.07	10,479.62	10,150.07	329.55
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	1,000.00	-	1,000.00	-	1,000.00
Other Expenses	1,642.00	21.00	1,663.00	21.00	1,642.00
Animal Control Services:					
Other Expenses	1,812.14	-	1,812.14	359.85	1,452.29
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	418.07	-	418.07	-	418.07
Other Expenses	2,669.40	1,834.50	4,503.90	791.00	3,712.90
Municipal Court:					
Salaries and Wages	1,931.14	-	1,931.14	-	1,931.14
Other Expenses	840.01	-	840.01	58.66	781.35
Public Defender:					
Salaries and Wages	800.00	-	800.00	800.00	-
UNIFORM CONSTRUCTION CODE					
Construction Code Official:					
Salaries and Wages	1,135.52	-	1,135.52	-	1,135.52
Other Expenses	2,106.60	814.18	2,920.78	2,857.93	62.85
Fire Marshall:					
Salaries and Wages	454.90	-	454.90	-	454.90
Other Expenses	500.00	-	500.00	-	500.00
Demolition of Unsafe Structures	4,350.00	-	4,350.00	-	4,350.00
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	5,591.59	-	5,591.59	3,030.36	2,561.23
Street Lighting	15,591.55	-	15,591.55	2,931.56	12,659.99
Telephone	6,803.09	2,791.89	9,594.98	6,642.08	2,952.90
Water	8,843.51	-	8,843.51	348.77	8,494.74
Natural Gas & Propane	14,265.43	-	14,265.43	638.47	13,626.96
Gasoline	31,689.87	470.22	32,160.09	3,084.46	29,075.63

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>December 31, 2015</u>		<u>Balance After Modifications</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbrances</u>			
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Landfill Disposal Costs	16,257.94	-	16,257.94	6,991.41	9,266.53
Contingent	1,000.00	-	1,000.00	-	1,000.00
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	3,960.51	-	3,960.51	-	3,960.51
Defined Contribution Retirement Program	4,836.50	-	4,836.50	-	4,836.50
Unemployment Insurance	2,000.00	-	2,000.00	-	2,000.00
PY Bills Monmouth Medical Center	2,740.00	-	2,740.00	-	2,740.00
OPERATIONS EXCLUDED FROM "CAPS":					
CDBG Essential Services Funding - Police	0.24	-	0.24	-	0.24
Aid to Privately Owned Library (NJSA 40:54-35)	4,088.64	2,473.01	6,561.65	1,778.45	4,783.20
Recycling Tax	3,836.24	-	3,836.24	-	3,836.24
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Monmouth County 911 Program	1,750.11	-	1,750.11	-	1,750.11
Municipal Court - Oceanport	5,456.58	-	5,456.58	-	5,456.58
Shrewsbury River Flood Warning	1,500.00	-	1,500.00	1,500.00	-
Monmouth County Sheriff's Office - Dispatch	16,742.00	-	16,742.00	-	16,742.00
Total General Appropriations	\$ 431,981.72	\$ 96,115.39	\$ 528,097.11	\$ 152,308.15	\$ 375,788.96
				\$ 132,398.25	
Cash Disbursements				<u>19,909.90</u>	
Accounts Payable				<u><u>\$ 152,308.15</u></u>	

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 95,491.26
Increased By:	
Transfer from 2015 Appropriation Reserves	<u>19,909.90</u>
	115,401.16
Decreased By:	
Cash Disbursements	16,782.32
Balance, December 31, 2016	<u><u>\$ 98,618.84</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 157,438.88
Increased By:	
Cash Receipts:	
Collection of 2017 Taxes	205,693.10
Transferred from Tax Overpayments	<u>1,929.45</u>
	365,061.43
Decreased By:	
Amount Applied To 2016 Taxes	<u>157,438.88</u>
Balance, December 31, 2016	<u><u>\$ 207,622.55</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ -
Increased By:		
2016 Tax Levy:		
County Tax	\$ 1,664,456.33	
County Library Tax	114,256.79	
County Open Space Fund Tax	95,605.67	
Due County for Added Taxes	<u>12,027.59</u>	
		<u>1,886,346.38</u>
		1,886,346.38
Decreased By:		
Cash Disbursements		<u>1,874,798.61</u>
Balance, December 31, 2016		<u><u>\$ 11,547.77</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015:		
School Tax Payable/(Prepaid)	\$ (22,910.48)	
School Tax Deferred	281,911.50	
		\$ 259,001.02
Increased By:		
Levy (School Year July 1, 2016 to June 30, 2017)		849,456.00
		1,108,457.02
Decreased By:		
Cash Disbursements		990,843.00
Balance, December 31, 2016:		
School Tax Payable/(Prepaid)	(164,297.48)	
School Tax Deferred	281,911.50	
		\$ 117,614.02
<u>2016 Liability for Local District School Tax</u>		
Tax Payable/(Prepaid), December 31, 2016		\$ (164,297.48)
Tax Paid		990,843.00
		826,545.52
Less:		
Tax Payable/(Prepaid), December 31, 2015		(22,910.48)
Amount Charged To 2016 Operations		\$ 849,456.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$	70,143.66
Increased By:		
Transferred Overpayments to Operations	30,700.72	
Overpayments Transferred to Prior Years	6,985.03	
Overpayments Created	85,435.94	<u>123,121.69</u>
		193,265.35
Decreased By:		
Tax Overpayments Applied	65,384.25	
Overpayments Applied to Delinquent Taxes	3,270.66	
Cash Disbursements	37,245.05	
Transferred to Prepaid Taxes	1,929.45	<u>107,829.41</u>
Balance, December 31, 2016	\$	<u><u>85,435.94</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
Due to State:				
Marriage License	\$ 560.00	\$ 716.00	\$ 960.00	\$ 316.00
	<u>\$ 560.00</u>	<u>\$ 716.00</u>	<u>\$ 960.00</u>	<u>\$ 316.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
Reserve For:				
Health Insurance	\$ 3,014.19	\$ -	\$ -	\$ 3,014.19
Superstorm Sandy	53,327.07	-	42,408.57	10,918.50
Disaster Relief	1,274,070.73	224,677.67	224,677.17	1,274,071.23
Revaluation	191,079.05	-	42,010.72	149,068.33
	<u>\$ 1,521,491.04</u>	<u>\$ 224,677.67</u>	<u>\$ 309,096.46</u>	<u>\$ 1,437,072.25</u>

Transfer between Reserves	42,168.57
Cash Receipts	<u>182,509.10</u>
	<u><u>224,677.67</u></u>

Cash Disbursements	84,419.29
Transfer between Reserves	42,168.57
Anticipated Revenue	<u>182,508.60</u>
	<u><u>309,096.46</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Increased By Revenue Anticipated <u>2016</u>	Transferred From Grants <u>Unappropriated</u>	Cash <u>Receipts</u>	Balance December 31, <u>2016</u>
Recycling Tonnage Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Clean Communities Program	-	-	-	-	-
Department of Environmental Protection:					
2010 Green Communities Grant	3,000.00	583.00	583.00	-	3,000.00
Alcohol Education and Rehabilitation Fund	-	648.00	648.00	-	-
Body Armor Replacement Fund	-	1,382.18	-	1,382.18	-
Body Worn Camera Grant	-	3,000.00	-	3,000.00	-
Buckle Up in the Park Grant	-	1,800.00	-	1,800.00	-
Click it or Ticket Grant	-	5,000.00	-	5,000.00	-
Smart Growth Grant	-	2,000.00	2,000.00	-	-
CDBG-Disaster Recovery: Zoning Code Enforcement	46,007.24	-	-	-	46,007.24
Drunk Driving Enforcement	-	2,805.00	2,805.00	-	-
NJEDA Streetscape	1,340,160.00	-	-	-	1,340,160.00
NJ DEP Temp Bulk	55,000.00	-	-	-	55,000.00
NJ DEP P1 Bulkhead	496,000.00	437,466.00	-	-	933,466.00
FEMA Hazard Mitigation, 25 Center St.	257,040.00	-	-	-	257,040.00
Post Sandy Planning	145,000.00	89,800.00	-	190,290.44	44,509.56
Pedestrian Safety	1,650.00	5,000.00	-	4,240.00	2,410.00
Drive Sober or Get Pulled Over	-	5,000.00	-	5,000.00	-
Sandy - National Emergency Grant	51,094.55	-	-	-	51,094.55
	<u>\$ 2,394,951.79</u>	<u>\$ 554,484.18</u>	<u>\$ 6,036.00</u>	<u>\$ 210,712.62</u>	<u>\$ 2,732,687.35</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Transfer from <u>Appropriations</u>	Transferred From <u>Encumbrances</u>	<u>Expended</u>	Transferred To <u>Encumbrances</u>	Balance December 31, <u>2016</u>
DEP Public Access	\$ 25,360.00	\$ -	\$ -	\$ -	\$ -	\$ 25,360.00
Alcohol Education and Rehabilitation Fund	2,539.63	648.00	-	-	-	3,187.63
Body Armor Fund	7,772.63	1,382.18	-	904.65	-	8,250.16
Improvement Grant	262.79	-	-	-	-	262.79
Comcast Technology	1,461.80	-	-	-	-	1,461.80
Clean Communities Program	8,000.00	583.00	-	144.75	-	8,438.25
Domestic Violence Training Grant	3,826.09	-	-	-	-	3,826.09
NJ Clean Shores	719.35	-	-	-	-	719.35
Recycling Tonnage Grant	8,192.09	-	-	-	-	8,192.09
Body Worn Camera Grant	-	3,000.00	-	3,000.00	-	-
Buckle up in the Park Grant	-	1,800.00	-	1,800.00	-	-
Click it or Ticket Grant	-	5,000.00	-	-	-	5,000.00
Drive Sober or Get Pulled Over	-	5,000.00	-	5,000.00	-	-
Drunk Driving Enforcement	4,047.93	2,805.00	169.00	4,920.40	-	2,101.53
State and Local All Hazards Emergency	-	-	-	-	-	-
Operations Planning Grant	84.72	-	-	-	-	84.72
Stormwater Regulation	6,822.00	-	-	-	-	6,822.00
Department of Environmental Protection:						
2010 Green Communities Grant	179.16	-	-	-	-	179.16
Local Share	1,500.00	-	-	-	-	1,500.00
Smart Growth Grant	16,221.71	2,000.00	-	-	-	18,221.71
CDBG-Disaster Recovery: Zoning Code Enforcement	14,391.32	-	-	-	-	14,391.32
County of Monmouth:						
CDBG - Beach Access Project	99,377.00	-	-	-	-	99,377.00
Pedestrian Safety	5,450.00	5,000.00	-	2,400.00	-	8,050.00
Post Sandy Planning	10,568.24	89,800.00	79,566.85	94,392.29	9,511.85	76,030.95
NJEDA Streetscape	1,211,703.00	-	41,819.21	22,895.35	24,148.86	1,206,478.00
NJ DEP Temp Bulk	1,500.00	-	576.29	208.23	368.06	1,500.00
NJ DEP P1 Bulkhead	-	437,466.00	100,797.75	426,829.01	11,141.41	100,293.33
Assistance To Firefighters	492.08	-	-	-	-	492.08
Assistance To Firefighters - Local Share	-	-	-	-	-	-
Sandy - National Emergency Grant	45,306.17	-	-	-	-	45,306.17
FEMA Hazard Mitigation - 25 Center St.	-	-	0.91	-	0.91	-
	<u>\$1,475,777.71</u>	<u>\$ 554,484.18</u>	<u>\$ 222,930.01</u>	<u>\$ 562,494.68</u>	<u>\$ 45,171.09</u>	<u>\$1,645,526.13</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Cash <u>Receipts</u>	Transferred to Grants <u>Receivable</u>	Balance December 31, <u>2016</u>
Drunk Driving Enforcement	\$ 2,804.77	\$ 8,501.21	\$ 2,805.00	\$ 8,500.98
Alcohol Education and Rehabilitation Fund	648.26	423.02	648.00	423.28
Recycling Tonnage Grant	-	3,247.71		3,247.71
Clean Communities	582.94	5,238.04	583.00	5,237.98
Smart Growth	2,000.00		2,000.00	-
	<u>\$ 6,035.97</u>	<u>\$ 17,409.98</u>	<u>\$ 6,036.00</u>	<u>\$ 17,409.95</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 690,170.13
Increased By:	
Expenditure Paid by Current Fund	<u>562,494.68</u>
	1,252,664.81
Decrease By:	
Cash Receipts Collected in Current Fund	<u>\$ 228,122.60</u>
Balance, December 31, 2016	<u><u>\$ 1,024,542.21</u></u>

TRUST FUNDS

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Animal Control <u>Fund</u>	Other <u>Trust Funds</u>
Balance, December 31, 2015	\$ 3,474.38	\$ 407,372.45
Increased By Receipts:		
State Registration Fees	316.80	-
Reserve for Animal Control	1,433.00	-
Due to Current Fund		18,466.84
Interest on Investments	4.69	-
Various Reserves	-	485,530.25
	<u>1,754.49</u>	<u>503,997.09</u>
	<u>5,228.87</u>	<u>911,369.54</u>
Decreased By Disbursements:		
State Registration Fees	145.80	-
Expenditures Under R.S. 4:19-15:11	145.80	-
Various Reserves	-	287,238.55
	<u>291.60</u>	<u>287,238.55</u>
Balance, December 31, 2016	<u>\$ 4,937.27</u>	<u>\$ 624,130.99</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF REGISTRATION FEES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ (163.00)
Increased By:	
State Registration Fees	<u>316.80</u>
	153.80
Decreased By:	
Cash Disbursements	<u>145.80</u>
Balance, December 31, 2016	<u><u>\$ 8.00</u></u>

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 ANIMAL CONTROL TRUST FUND
 SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		<u>\$ 147.25</u>
Increased By:		
Dog License Fees Collected	\$ 1,412.00	
Cat License Fees Collected	<u>21.00</u>	
		<u>1,433.00</u>
		1,580.25
Decreased By:		
Expenditures Under R.S. 4:19-15:11	<u>869.34</u>	
		<u>869.34</u>
Balance, December 31, 2016		<u><u>\$ 710.91</u></u>

License Fees Collected

2014		\$ 723.60
2015		<u>752.80</u>
		<u><u>\$ 1,476.40</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF STATUTORY EXCESS DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 3,490.13
Increased By:	
Expenditure from Current Fund	723.54
Interest on Investments	<u>4.69</u>
Balance, December 31, 2016	<u><u>\$ 4,218.36</u></u>

**SCHEDULE OF DUE FROM GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015 and 2016	<u><u>\$ 31,294.00</u></u>
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**SCHEDULE OF DUE FROM BEACH CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015 and 2016	<u><u>\$ 16,000.00</u></u>
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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF DUE TO SEWER OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015 and 2016

\$ 299.75

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF VARIOUS TRUST FUND RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2016</u>
Public Defender	\$ 373.27	\$ 1,435.50	\$ 678.27	\$ 1,130.50
Division of Fire Safety Penalty	1,374.00	-	-	1,374.00
Parking Offense Adjudication Act (Per N.J.S.A. 40A:4-39)	1,243.33	360.00	-	1,603.33
Cash Performance Bonds	25,817.98	-	-	25,817.98
Recreation	19,807.05	5,000.00	2,150.90	22,656.15
Public Library	60,542.00	4,078.25	510.00	64,110.25
Insurance Refunds	942.57	2,500.00	2,890.49	552.08
Escrow for Police Employment	-	189,398.72	173,592.42	15,806.30
Police Donations	33.80	500.00	-	533.80
Beach Donations	3,148.70	-	1,859.95	1,288.75
Mayor's Ceremony Donations	1,200.00	300.00	900.00	600.00
Cat Donations	-	-	-	-
Beautification Fund	103,085.36	2,027.99	10,822.06	94,291.29
Public Relations	1,257.76	3,914.50	300.00	4,872.26
4th of July Celebration	200.00	-	-	200.00
Sandy Acceptance of Bequests	15,658.54	-	-	15,658.54
Unemployment Trust	12,112.88	7.47	10,041.58	2,078.77
Law Enforcement Trust	1,958.60	1.74	-	1,960.34
Tax Sale Premiums	50,096.46	157,143.93	9,837.17	197,403.22
Developers Escrow	150,874.72	118,862.15	73,655.71	196,081.16
Escrow	4,639.68	-	-	4,639.68
	<u>\$ 454,366.70</u>	<u>\$ 485,530.25</u>	<u>\$ 287,238.55</u>	<u>\$ 652,658.40</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
PAYROLL AGENCY TRUST FUND
SCHEDULE OF RESERVE FOR PAYROLL AGENCY EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 75,797.96
Decreased By:		
Due to Current	56,074.58	
Transferred to Payroll Net	<u>12,200.71</u>	
		<u>68,275.29</u>
Balance, December 31, 2016		<u><u>\$ 7,522.67</u></u>

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GENERAL CAPITAL FUND

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

Balance, December 31, 2016 & 2015

\$ 9,913.85

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 268,295.90
Decreased By:	
Cash Disbursements - Interfund	<u>198,300.54</u>
	<u><u>\$ 69,995.36</u></u>
Balance, December 31, 2016	

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2016</u>
Grants Receivable	\$ (6,394,650.00)
Due from Home Owner	(24,104.00)
Due to Trust Other	31,294.00
Due to Current Fund	626,592.35
Capital Improvement Fund	38,155.87
Encumbrances Payable	256,761.49
Various Reserves	274,328.72
Fund Balance	9,913.85

<u>Year</u>	<u>Improvement Description</u>	
2000	Various General Improvements	6,198.63
2005	Sand Replenishment	544,331.93
2007	Roads	39,736.94
2007	DIIP	7,773.37
2007	MCIA - Equipment	47.83
2007	DIIP	139,457.18
05-10	Various General Improvements To Normandie Place & Beachway Areas	1,311.98
08-10	Improvements to Municipal Facilities	(3,469.17)
05-11	Improvements to Municipal Facilities	18,038.81
06-11	Acquisition of Fire Apparatus	(13,225.05)
07-11	Improvements to Municipal Facilities	377,104.11
09-11	Structure Elevation Project- 8 Center Street	9,566.00
10-12 / 02-15	Bulkheads and Pump Station	26,388.49
18-13	Roadway and Parking Lot Improvements	(1,366,250.00)
21-13	Various Improvements - Municipal Facilities	439,690.74
11-15	Various General Improvements	66,755.00
14-15	Acquisition of Various Capital Equipment	8,176.29
15-16	Construction of Community Center	1,056,500.00
16-16	Construction of Municipal Complex	3,893,570.00
		\$ 69,995.36

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 1,744,650.00
Increased By:	
Insurance Proceeds	1,150,000.00
Grant Award	3,650,000.00
	6,544,650.00
Decreased By:	
Cash Receipts in Current Fund	150,000.00
	150,000.00
Balance, December 31, 2016	\$ 6,394,650.00
 <u>Analysis of Balance - December 31, 2016</u>	
NJ DOT	\$ 3,750.00
FEMA - 8 Center Street	216,936.00
FEMA - Hazardous Mitigation Grant (ORD 10-2012)	1,373,964.00
FEMA - Community Center (ORD 15-2016)	900,000.00
Insurance Proceeds (ORD 15-2016)	150,000.00
Insurance Proceeds (ORD 16-2016)	3,750,000.00
	\$ 6,394,650.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM HOME OWNER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 24,104.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 283,576.82
Increased By:		
Cash Reciepts	626,592.35	
Refund on Ordinance	30,000.00	
Capital Improvement Fund	50,000.00	
NJ DOT Grant	150,000.00	
		856,592.35
Decreased By:		
Received from Current	1,140,169.17	
		1,140,169.17
Balance, December 31, 2016		\$ -

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 3,744,400.00
Increased By:		
Refunding Bond Issue		<u>1,045,000.00</u>
		4,789,400.00
Decreased By:		
Serial Bonds Paid	\$ 390,000.00	
Proceeds from Bond Refunding	1,147,000.00	
Capital Lease Paid	<u>96,300.00</u>	
		<u>1,633,300.00</u>
Balance, December 31, 2016		<u><u>\$ 3,156,100.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Ordinance No.	Improvement Description	Balance December 31, 2015	2016 Authorizations	Funding from Refunding Bond Issue	Balance December 31, 2016	Analysis of Balance		
						Bond Anticipation Notes	Expended	Unexpended Improvement Authorizations
05-10	Various General Improvements							
	To Normandie Place & Beachway Areas	\$ 4,350.35	-	\$ -	\$ 4,350.35	\$ -	\$ -	\$ 4,350.35
08-10	Improvements to Municipal Facilities	3,480.28	-	-	3,480.28	-	3,469.17	11.11
05-11	Improvements to Municipal Facilities	6,960.55	-	-	6,960.55	-	-	6,960.55
06-11	Acquisition of Fire Apparatus	13,225.05	-	-	13,225.05	-	13,225.05	-
07-11	Improvements to Municipal Facilities	17,401.37	-	-	17,401.37	-	-	17,401.37
10-12 / 02-15	Bulkheads and Pump Station	301,567.40	-	-	301,567.40	-	-	301,567.40
18-13	Roadway and Parking Lot Improvements	1,666,250.00	-	-	1,666,250.00	300,000.00	1,366,250.00	-
21-13	Various Improvements - Municipal Facilities	570,000.00	-	-	570,000.00	570,000.00	-	-
07-15	Refunding 2007 Bonds	1,300,000.00	-	1,300,000.00	-	-	-	-
11-15	Various General Improvements	171,000.00	-	-	171,000.00	171,000.00	-	-
14-15	Acquisition of Various Capital Equipment	166,250.00	-	-	166,250.00	166,250.00	-	-
16-15	Construction of Community Center	-	332,500.00	-	332,500.00	-	-	332,500.00
16-16	Construction of Municipal Complex	-	3,942,500.00	-	3,942,500.00	-	-	3,942,500.00
		\$ 4,220,485.00	\$ 4,275,000.00	\$ 1,300,000.00	\$ 7,195,485.00	\$ 1,207,250.00	\$ 1,382,944.22	\$ 4,605,290.78

Improvement Authorizations Unfunded Per Exh. C-12 \$ 5,119,912.81
Less: Unexpended proceeds of BANs Issued
Ordinance 21-13 439,690.74
Ordinance 11-15 66,755.00
Ordinance 14-15 8,176.29
\$ 4,605,290.78

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2016</u>	<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
General Improvements	01/15/99	\$ 3,180,000.00	01/15/17 195,000.00 01/15/18 200,000.00 01/15/19 220,000.00	4.70% 4.75% 4.75%	\$ 805,000.00	\$ -	\$ 190,000.00	\$ 615,000.00
General Improvements	12/01/07	2,087,000.00	12/01/17 115,000.00	5.00%	1,362,000.00	-	1,247,000.00	115,000.00
Various General Improvements	12/19/12	1,630,000.00	12/01/17 90,000.00 12/01/18 90,000.00 12/01/19 95,000.00 12/01/20 100,000.00 12/01/21 100,000.00 12/01/22 105,000.00 12/01/23 110,000.00 12/01/24 115,000.00 12/01/25 115,000.00 12/01/26 120,000.00 12/01/27 125,000.00 12/01/28 125,000.00	3.00% 3.00% 3.00% 4.00% 4.00% 4.00% 4.00% 2.00% 3.00% 2.00% 2.00%	1,380,000.00	-	90,000.00	1,290,000.00
Refunding Bond Issue	03/24/16	1,045,000.00	12/01/18 110,000.00 12/01/19 115,000.00 12/01/20 120,000.00 12/01/21 125,000.00 12/01/22 130,000.00 12/01/23 140,000.00 12/01/24 145,000.00 12/01/25 150,000.00	4.00% 4.00% 5.00% 5.00% 5.00% 5.00% 5.00%	-	1,045,000.00	10,000.00	1,035,000.00

\$ 3,547,000.00 \$ 1,045,000.00 \$ 1,537,000.00 \$ 3,055,000.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE TO OTHER TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015 and 2016

\$ 31,294.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL LEASES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Description</u>	<u>Maturity</u>		<u>Interest Rate</u>	Balance December 31, <u>2015</u>	Lease <u>Paid</u>	Balance December 31, <u>2016</u>
Purchase of Various Equipment	09/01/17	101,100.00	5.00%	\$ 197,400.00	\$ 96,300.00	\$ 101,100.00
				<u>\$ 197,400.00</u>	<u>\$ 96,300.00</u>	<u>\$ 101,100.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2015		Transferred From Encumbrances	Capital Improvement Fund	Deferred Charges To Future Taxation Unfunded	Insurance Proceeds	Grant Receivable	Expanded	Cancelled	Transferred To Encumbrances	Balance December 31, 2016	
				Funded	Unfunded									Funded	Unfunded
08-00	Various General Improvements	06/06/00	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,198.63	\$ -
20-05 / 12-10	Sand Replenishment	05/18/10	910,000.00	544,331.93	-	-	-	-	-	-	-	-	-	544,331.93	-
07-07	Roads and Bulkheading	04/17/07	340,000.00	39,736.94	-	-	-	-	-	-	-	-	-	39,736.94	-
08-07	DIP	04/17/07	950,000.00	8,060.87	-	-	-	-	-	-	-	-	-	7,773.37	-
12-07	MCLA Equipment	07/03/07	860,000.00	47.83	-	-	-	-	-	-	-	-	-	47.83	-
20-07	DIP	10/02/07	650,000.00	180,257.47	-	21,111.03	-	-	-	-	-	-	21,226.97	139,457.18	-
05-10	Various General Improvements to Normande Place & Beachway Areas	03/16/10	340,000.00	11,631.59	4,350.35	-	-	-	-	-	-	-	-	1,311.98	4,350.35
08-10	Improvements to Municipal Facilities	04/20/10	100,000.00	-	11.11	-	-	-	-	-	-	-	-	-	11.11
05-11	Improvements to Municipal Facilities	05/01/11	200,000.00	18,038.81	6,960.55	-	-	-	-	-	-	-	-	18,038.81	6,960.55
07-11	Improvements to Municipal Facilities	04/05/11	500,000.00	377,104.11	17,401.37	-	-	-	-	-	-	-	-	377,104.11	17,401.37
09-11	Structure Elevation Project- 8 Center Street	04/05/11	250,000.00	9,566.00	-	34,383.47	-	-	-	-	-	-	34,383.47	9,566.00	-
10-12 / 02-15	Bulkheads and Pump Station	03/17/15	2,150,000.00	799,134.83	301,567.40	2,473.88	-	-	-	-	-	-	2,473.88	26,388.49	-
18-13	Roadway and Parking Lot Improvements	11/05/13	1,800,000.00	-	842.78	-	-	-	-	-	-	-	-	-	842.78
21-13	Various Improvements - Municipal Facilities	11/05/13	600,000.00	-	441,344.66	60,363.53	-	-	-	-	-	-	-	32,912.08	-
07-15	Refunding 2007 Bonds	04/21/15	1,300,000.00	-	1,300,000.00	-	-	-	-	-	-	-	29,105.37	-	439,690.74
11-15	Various General Improvements	08/04/15	380,000.00	150,200.00	171,000.00	22,826.12	-	-	-	-	-	-	169,571.80	-	-
14-15	Acquisition of Various Capital Equipment	10/20/15	175,000.00	8,750.00	166,250.00	-	-	-	-	-	-	-	-	-	66,755.00
08-16	Acquisition of Parking Meters	05/05/16	95,000.00	-	-	95,000.00	-	-	-	-	-	-	-	-	8,176.29
15-16	Construction of Community Center	06/01/16	1,400,000.00	-	-	17,500.00	-	332,500.00	150,000.00	90,000.00	11,000.00	-	-	1,056,500.00	332,500.00
16-16	Construction of Municipal Complex	06/01/16	7,900,000.00	-	-	207,500.00	-	3,942,500.00	1,000,000.00	2,750,000.00	63,930.00	-	-	3,893,570.00	3,942,500.00
				\$ 2,159,283.03	\$ 2,409,728.22	\$ 141,158.03	\$ 320,000.00	\$ 4,275,000.00	\$ 1,150,000.00	\$ 3,650,000.00	\$ 2,353,469.71	\$ 255,000.00	\$ 256,761.49	\$ 6,120,025.27	\$ 5,119,912.81

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 308,155.87
Increased By:	
2016 Budget Appropriation	<u>50,000.00</u>
	358,155.87
Decreased By:	
Improvement Authorizations Funded	<u>320,000.00</u>
Balance, December 31, 2016	<u><u>\$ 38,155.87</u></u>

**BOROUGH OF SEA BRIGHT
 COUNTY OF OCEAN, NEW JERSEY
 GENERAL CAPITAL CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance		Balance December 31, 2016
						December 31, 2015	December 31, 2016	
18-13	Various Improvements	12/14/15	12/14/16	12/13/17	1.47%	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
21-13	Improvements to Municipal Facilities	12/14/15	12/14/16	12/13/17	1.47%	570,000.00	570,000.00	570,000.00
11-15	Various Improvements	12/14/15	12/14/16	12/13/17	1.47%	171,000.00	171,000.00	171,000.00
14-15	Acquisition of Capital Equipment	12/14/15	12/14/16	12/13/17	1.47%	166,250.00	166,250.00	166,250.00
						<u>\$ 1,207,250.00</u>	<u>\$ 1,207,250.00</u>	<u>\$ 1,207,250.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	<u>Increase</u>	<u>Decrease</u>	Balance December 31, <u>2016</u>
Payment of Bonds	\$ 145,177.83	\$ -	\$ -	\$ 145,177.83
MCIA Interest	792.99	-	-	792.99
Debt Service	115,282.90	-	-	115,282.90
Development of Beachfront - Preliminary Costs	13,075.00	-	-	13,075.00
	<u>\$ 274,328.72</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,328.72</u>

BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015</u>	2016 <u>Authorizations</u>	<u>Bonds Issued</u>	<u>Canceled</u>	Balance December 31, <u>2016</u>
05-10	Various General Improvements					
	To Normandie Place & Beachway Areas	\$ 4,350.35	\$ -	\$ -	\$ -	\$ 4,350.35
08-10	Improvements to Municipal Facilities	3,480.28	-	-	-	3,480.28
05-11	Improvements to Municipal Facilities	6,960.55	-	-	-	6,960.55
06-11	Acquisition of Fire Apparatus	13,225.05	-	-	-	13,225.05
07-11	Improvements to Municipal Facilities	17,401.37	-	-	-	17,401.37
10-12 / 02-15	Bulkheads and Pump Station	301,567.40	-	-	-	301,567.40
18-13	Roadway and Parking Lot Improvements	1,366,250.00	-	-	-	1,366,250.00
07-15	Refunding 2007 Bonds	1,300,000.00	-	1,045,000.00	255,000.00	-
16-16	Construction of Municipal Complex	-	3,942,500.00	-	-	3,942,500.00
16-15	Construction of Community Center	-	332,500.00	-	-	332,500.00
		<u>\$ 3,013,235.00</u>	<u>\$ 4,275,000.00</u>	<u>\$ 1,045,000.00</u>	<u>\$ 255,000.00</u>	<u>\$ 5,988,235.00</u>

SEWER UTILITY FUND

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Operating	Capital
Balance, December 31, 2015	\$ 427,377.69	\$ 158,794.11
Increased By Receipts:		
Miscellaneous Revenue	21,709.05	-
Sewer Utility Rents	642,952.12	-
Due to Current Fund	55,828.64	5,746.25
Due to Capital	5,000.00	-
Overpayments	6,891.80	-
Capital Improvement Fund	-	5,000.00
	732,381.61	10,746.25
	1,159,759.30	169,540.36
Decreased By Disbursements:		
Budget Appropriations	490,239.61	-
Appropriation Reserves	6,137.55	-
Due from Operating	-	5,000.00
Improvement Authorizations Disbursed	-	6,626.54
Special Emergency Note	-	-
	496,377.16	11,626.54
Balance, December 31, 2016	\$ 663,382.14	\$ 157,913.82

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF SEWER UTILITY CAPITAL FUND CASH
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2016</u>
Due from Sewer Operating Fund	\$ (20,000.00)
Encumbrances Payable	46,495.14
Due from Current Fund	(22,575.36)
Capital Improvement Fund	148,452.00
Reserve to Pay Bonds	3,455.58

<u>Date</u>	<u>Improvement Description</u>	
11-05	Sanitary Sewer Rehabilitation	2,086.46
14-01	Sanitary Sewer Improvements	-
		-
		\$ 157,913.82

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 91,584.44
Increased By:		
Sewer Rents Levied		<u>669,694.32</u>
		761,278.76
Decreased By:		
Collections	\$ 642,952.12	
Overpayments Applied	<u>2,243.72</u>	
		<u>645,195.84</u>
Balance, December 31, 2016		<u><u>\$ 116,082.92</u></u>

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2016 & 2015</u>
Sewer System:	
Collection System	\$ 160,000.00
Infrastructure Improvements	<u>1,477,399.80</u>
	<u><u>\$ 1,637,399.80</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount</u>	<u>Balance December 31, 2015 & 2016</u>
11-05	Sanitary Sewer Rehabilitation	\$ 276,000.00	\$ 276,000.00
14-01	Sanitary Sewer Improvements	350,000.00	<u>350,000.00</u>
			<u><u>\$ 626,000.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 3,567.14	\$ -	\$ -	\$ 3,567.14
Other Expenses	1,441.63	7,695.38	6,312.55	1,382.83
Statutory Expenditures:				
Contribution To Social Security System (O.A.S.I.)	503.73	503.73	-	503.73
	<u>\$ 5,512.50</u>	<u>\$ 8,199.11</u>	<u>\$ 6,312.55</u>	<u>\$ 5,453.70</u>
 Appropriation Reserves			 \$ 6,137.55	
Accounts Payable			<u>175.00</u>	
			<u>\$ 6,312.55</u>	

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 5,220.62
Increased By:	
2016 Sewer Rent Overpayments	<u>6,891.80</u>
	12,112.42
Decreased By:	
Applied to Consumer Accounts Receivable	<u>2,243.72</u>
Balance, December 31, 2016	<u><u>\$ 9,868.70</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 300.00
Increased By:	
Interest Accrued	<u>300.00</u>
	600.00
Decreased By:	
Interest Paid	<u>300.00</u>
Balance, December 31, 2016	<u><u>\$ 300.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Ordinance Number	Description	Amount	Balance December 31, 2015		Transferred From Encumbrances	Paid or Charged	Transferred To Encumbrances	Balance December 31, 2016	
			Funded	Unfunded				Funded	Unfunded
05-11	Sanitary Sewer Rehabilitation	\$ 264,000.00	\$ 2,276.42	\$ -	\$ 28.35	\$ 205.56	\$ 12.75	\$ 2,086.46	\$ -
14-01	Sanitary Sewer Improvements	350,000.00	-	5,556.29	47,347.08	6,420.98	46,482.39	-	-
			\$ 2,276.42	\$ 5,556.29	\$ 47,375.43	\$ 6,626.54	\$ 46,495.14	\$ 2,086.46	\$ -

**BOROUGH OF SEA BRIGHT
 COUNTY OF OCEAN, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
14-01	Sewer Utility Improvements	12/14/15	12/14/16	12/13/17	1.47%	\$ 332,500.00	\$ 332,500.00	\$ 332,500.00	\$ 332,500.00
						\$ 332,500.00	\$ 332,500.00	\$ 332,500.00	\$ 332,500.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 143,452.00
Increased By:	
2016 Budget Appropriation due from Sewer Operating	<u>5,000.00</u>
Balance, December 31, 2016	<u><u>\$ 148,452.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015 & 2016

\$ 1,637,399.80

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015 and 2016

\$ 293,500.00

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BEACH UTILITY FUND

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2015	\$ 719,231.76	\$ 75,000.00
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 25,991.32	\$ -
Beach Funds Ordinance	579,475.00	-
Prepaid Badge Fees	28,930.00	-
Change Fund	5,900.00	-
Due Beach Utility Operating Fund	150,000.00	\$ -
Due Current Fund	50,161.75	-
Capital Improvement Fund	<u>-</u>	<u>150,000.00</u>
	<u>840,458.07</u>	<u>150,000.00</u>
	1,559,689.83	225,000.00
Decreased By Disbursements:		
Budget Appropriations	572,460.12	-
Appropriation Reserves	8,041.54	-
Due to Beach Utility Capital Fund		150,000.00
Accounts Payable	370.60	-
Change Fund	<u>6,000.00</u>	<u>-</u>
	<u>586,872.26</u>	<u>150,000.00</u>
Balance, December 31, 2016	<u><u>\$ 972,817.57</u></u>	<u><u>\$ 75,000.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance at December 31, 2014	\$ 40.00
Increase By:	
Cash Disbursement	<u>6,000.00</u>
	6,040.00
Decreased By:	
Cash Receipts	<u>5,900.00</u>
Balance, December 31, 2016	<u><u>\$ 140.00</u></u>

**COUNTY OF MONMOUTH, NEW JERSEY
 BEACH UTILITY CAPITAL FUND
 SCHEDULE OF BEACH UTILITY CAPITAL FUND CASH
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2016</u>
Community Development Grant Receivable	\$ (37.97)
Encumbrances Payable	138,347.20
Due from General Capital	(626,592.35)
Due Beach Utility Operating	200,772.56
Due From Current Fund	(39,646.83)
Due Trust-Other Fund	16,000.00
Reserve for Debt	13,002.45
FEMA Receivable	(1,450,000.00)
Beach Clubs Settlement Receivable	(400,000.00)
Insurance Receivable	(185,000.00)
Capital Improvement Fund	150,235.96
Fund Balance	48.76

<u>Ordinance Number</u>	<u>Improvement Description</u>		
90-98	Acquisition of Beach Equipment and Improvements to Facilities	\$	(18,500.00)
19-04	ADA Access Improvements		13,259.00
12-12	Sand Replenishment		117,621.90
19-13	Various Improvements		9,205.58
02-14	Various Improvements		100,622.77
17-16	Construction of Beach Utility Building		2,035,660.97
			75,000.00
		\$	75,000.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015 and 2016

\$ 80,930.98

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount</u>	Balance December 31, <u>2015</u>	2016 <u>Authorizations</u>	Balance December 31, <u>2016</u>
04-18	Acquisition of Equipment and Improvements to Beach Facilities	\$ 200,000.00	\$ 200,000.00	\$ -	\$ 200,000.00
04-19	ADA Access Improvements	125,000.00	125,000.00	-	125,000.00
12-12	Sand Replenishment	1,200,000.00	1,200,000.00	-	1,200,000.00
13-19	Various Improvements	600,000.00	600,000.00	-	600,000.00
14-02	Various Improvements	200,000.00	200,000.00	-	200,000.00
16-17	Construction of Building	3,600,000.00	-	3,600,000.00	3,600,000.00
			<u>\$ 2,325,000.00</u>	<u>\$ 3,600,000.00</u>	<u>\$ 5,925,000.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 774.41	\$ 774.41	\$ -	\$ 774.41
Other Expenses	8,133.91	16,053.21	8,221.24	7,831.97
Dune Maintenance	5,465.88	5,465.88	1,199.85	4,266.03
Capital Improvements:				
Capital Outlay	5,000.00	5,000.00	-	5,000.00
Statutory Expenditures:				
Contributions To:				
Public Employees' Retirement System	5,000.00	5,000.00	-	5,000.00
Social Security System (O.A.S.I.)	5,763.52	5,763.52	-	5,763.52
	<hr/>			
Total Beach Utility Appropriations	\$ 30,137.72	\$ 38,057.02	\$ 9,421.09	\$ 28,635.93
	<hr/>			
Appropriation Reserves		\$ 30,137.72		
Encumbrances Payable		<u>7,919.30</u>		
		<u>\$ 38,057.02</u>		
Cash Disbursements			\$ 8,041.54	
Accounts Payable			<u>1,379.55</u>	
			<u>\$ 9,421.09</u>	

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 1,450.00
Increased By:	
Interest Accrued	<u>1,450.00</u>
	2,900.00
Decreased By:	
Interest Paid	<u>1,450.00</u>
Balance, December 31, 2016	<u><u>\$ 1,450.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF PREPAID BADGE FEES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 18,835.00
Increased By:	
Cash Receipts	<u>28,930.00</u>
	47,765.00
Decreased By:	
Prepaid Applied	<u>18,835.00</u>
Balance, December 31, 2016	<u><u>\$ 28,930.00</u></u>

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 BEACH UTILITY CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
12-12	Sand Replenishment	12/21/12	12/14/16	12/13/17	1.47%	\$ 840,000.00	\$ 840,000.00	\$ 840,000.00	\$ 840,000.00
19-13	Beach Utility Improvements	12/21/13	12/14/16	12/13/17	1.47%	570,000.00	570,000.00	570,000.00	570,000.00
2-14	Sand Replenishment	12/21/14	12/14/16	12/13/17	1.47%	190,000.00	190,000.00	190,000.00	190,000.00
						<u>\$ 1,600,000.00</u>	<u>\$ 1,600,000.00</u>	<u>\$ 1,600,000.00</u>	<u>\$ 1,600,000.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

2016 Authorizations

Ordinance Number	Description	Date	Amount	Balance December 31, 2015		Grant Receivable	Insurance Proceeds	Capital Improvement Fund	Batch Settlements	Deferred Charges To Future Taxation Unfunded	Transferred From Encumbrances	Paid or Charged	Transferred To Encumbrances	Balance December 31, 2016	
				Funded	Unfunded									Funded	Unfunded
19-04	ADA Access Improvements	09/07/04	125,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,259.00	\$ -
12-12	Sand Replenishment	10/02/12	1,200,000.00	-	357,621.90	-	-	-	-	-	-	-	-	-	357,621.90
19-13	Various Improvements	10/15/13	600,000.00	-	9,205.58	-	-	-	-	-	136,808.28	20,961.08	115,847.20	-	9,205.58
02-14	Various Improvements	2/18/14	200,000.00	-	127,226.31	-	-	-	-	-	-	26,603.54	-	-	100,622.77
17-16	Construction of Beach Utility Building	6/1/16	3,600,000.00	-	-	1,450,000.00	185,000.00	78,250.00	400,000.00	1,486,750.00	-	55,089.03	22,500.00	2,035,660.97	1,486,750.00
				\$ 13,259.00	\$ 494,053.79	\$ 1,450,000.00	\$ 185,000.00	\$ 78,250.00	\$ 400,000.00	\$ 1,486,750.00	\$ 136,808.28	\$ 102,653.65	\$ 138,347.20	\$ 2,048,919.97	\$ 1,954,200.25

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015 and 2016

\$ 91,430.98

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 456,000.00
Increased By:	
Grant Receivable	1,450,000.00
Insurance Proceeds	185,000.00
Beach Settlements	400,000.00
Capital Improvement Fund	<u>78,250.00</u>
	2,113,250.00
Balance, December 31, 2016	<u>\$ 2,569,250.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 78,485.96
Increased By:	
2016 Budget Appropriation	<u>150,000.00</u>
	228,485.96
Decreased By:	
Improvement Authorization Down Payment	<u>78,250.00</u>
Balance, December 31, 2016	<u><u>\$ 150,235.96</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
Payables Created	<u>1,379.55</u>
	1,379.55
Decreased By:	
Cash Disbursed	<u>370.60</u>
Balance, December 31, 2016	<u><u>\$ 1,008.95</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF RESERVE TO PAY DEBT
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015 and 2016

\$ 13,002.45

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF DUE TO BEACH UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance at December 31, 2015	\$ 350,772.56
Decreased By:	
Cash Disbursement	<u>150,000.00</u>
Balance, December 31, 2016	<u><u>\$ 200,772.56</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF DUE TO OTHER TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015 and 2016

\$ 16,000.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015</u>	2016 <u>Authorizations</u>	Balance December 31, <u>2016</u>
90-98	Acquisition of Beach Equipment and Improvements to Facilities	\$ 18,500.00	\$ -	\$ 18,500.00
12-12	Sand Replenishment	240,000.00	-	240,000.00
17-16	Construction of Beach Utility Building	-	1,486,750.00	1,486,750.00
		<u>\$ 258,500.00</u>	<u>\$ 1,486,750.00</u>	<u>\$ 1,745,250.00</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	<u>Additions</u>	Balance December 31, <u>2016</u>
Land	\$ 9,503,700.00	\$ -	\$ 9,503,700.00
Building	1,096,300.00	-	1,096,300.00
Machinery and Equipment	2,889,872.61	305,896.46	3,195,769.07
	<u>\$ 13,489,872.61</u>	<u>\$ 305,896.46</u>	<u>\$ 13,795,769.07</u>

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COMMENTS AND RECOMMENDATIONS

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Honorable Mayor and Members
of the Borough Council
Borough of Sea Bright
County of Monmouth
Sea Bright, New Jersey 07760

We have audited the financial statements – statutory basis of the Borough of Sea Bright in the County of Monmouth for the year ended December 31, 2016.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and Sewer/Beach Utility Collector, the activities of the Mayor and Committee and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Borough records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):

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

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Borough Committee.

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," 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.A.40A:116*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, as amended, 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.

The governing body on January 2, 2016 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Sea Bright, County of Monmouth, State of New Jersey, as follows:

1. The Tax/Sewer Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes, sewer and other municipal charges becoming delinquent after the due date and 18% per annum on any amount of taxes, sewer and other municipal charges in excess of \$1,500.00 becoming delinquent after the due date an if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, and additional penalty of 6% shall be charged against the delinquency.
2. Effective January 1, 2016, there will be a ten (10) day grace period of quarterly Tax/sewer/payments made by cash, check or money order.

Collection of Interest on Delinquent Taxes and Assessments (continued):

- 3. Any payments not made in accordance with paragraph two of this Resolution shall be charged interest from the due date as set forth in paragraph one of this Resolution.
- 4. This Resolution shall be published in its entirety once in an official newspaper of the Borough of Sea Bright.
- 5. A certified copy of this Resolution shall be provided by the Borough Clerk to the Tax/Sewer Collector.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2016 included real estate taxes for 2016.

Inspection of 2016 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

YEAR	NUMBER OF LIENS
2016	3
2015	3
2014	3

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get properties back on a taxpaying basis.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Borough, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

Tax Collector's Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2016 with the governing body.

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2016:

NAME	POSITION	AMOUNT OF BOND
Dina G. Long	Mayor	
Brian P. Kelly	Council President	
Peggy Bills	Councilperson	
Marc A. Leckstein	Councilperson	
William J. Keeler	Councilperson	
John M. Lamia, Jr.	Councilperson	
Charles H. Rooney	Councilperson	
Christine Pfeiffer	Municipal Clerk	
Patricia Spahr	Tax Collector/Tax Search Officer/Sewer Collector	\$(1)
Michael Bascom	Chief Financial Officer	(1)
Roger McLaughlin	Municipal Attorney	
Nicole Sonnenblick	Judge (Shared Services with Oceanport)	(1)
Carol Smith	Court Administrator (Shared Services with Oceanport)	(1)
Timothy Anfuso	Assessor	
Jaelyn Flor	Engineer	

(1)There was a “Public Employees’ Blanket Bond” in the amount of \$1,000,000 carried by the Garden State Municipal Joint Insurance Fund as well as individual bonds of varying amounts.

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
No. CR483

Freehold, New Jersey
June 26, 2017