

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

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2017**

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

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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

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 as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2017 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 Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, 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 U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2017 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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of expenditures and federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey OMB’s Circular 15-08, Single Audit Policy for

Recipients of Federal Grants, State Grants and State Aid are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 June 27, 2018 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Freehold, New Jersey
June 27, 2018

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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

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, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 27, 2018. Our report indicated that the Borough’s financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's 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 and 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 Borough'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 Borough'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 No. 483

Freehold, New Jersey
June 27, 2018

BASIC FINANCIAL STATEMENTS

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BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

<u>Assets</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Current Fund:			
Cash	A-4	\$ 4,960,009.77	\$ 3,744,739.14
Change Fund	A-5	350.00	350.00
Petty Cash	A	200.00	200.00
Prepaid Expenses	A-6	7,040.45	-
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	660.00	660.00
		<u>4,968,260.22</u>	<u>3,745,949.14</u>
Receivables and Other Assets			
With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	180,541.82	224,908.09
Tax Title Liens	A-9	10,334.15	10,640.55
Revenue Accounts Receivable	A-10	17,155.94	4,895.18
Prepaid - Local School Taxes	A-17	141,704.67	164,297.48
Due from Sewer Operating	D	9,534.95	55,828.64
Due from Beach Operating	E	-	50,161.75
Due from Beach Capital	E	74,867.00	-
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	131,669.36	1,024,542.21
Due from Animal Control Fund	B	1,257.44	4,218.36
		<u>567,065.33</u>	<u>1,614,033.68</u>
Deferred Charges:			
Community Disaster Loan	A	692,249.03	692,249.03
Special Emergency Authorization	A-11	50,000.00	100,000.00
		<u>742,249.03</u>	<u>792,249.03</u>
		<u>6,277,574.58</u>	<u>6,152,231.85</u>
Federal and State Grants:			
Grants Receivable	A-21	556,826.57	2,732,687.35
		<u>556,826.57</u>	<u>2,732,687.35</u>
Total Assets		<u>\$ 6,834,401.15</u>	<u>\$ 8,884,919.20</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 STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Liabilities:			
Appropriation Reserves	A-3	\$ 197,492.37	\$ 412,000.94
Encumbrances Payable	A-3	74,266.71	135,505.25
Accounts Payable	A-13	122,816.79	98,618.84
Prepaid Taxes	A-14	1,041,944.90	207,622.55
County Taxes	A-15	22,942.73	11,547.77
Regional High School Taxes	A-16	291,629.77	371,137.30
Tax Overpayments	A-18	71,025.08	85,435.94
Due to State of NJ	A-19	316.00	316.00
Various Reserves	A-20	923,329.26	1,437,072.25
Community Disaster Loan Payable	A	692,249.03	692,249.03
Due To:			
General Capital Fund	C	49,822.23	-
Sewer Utility Capital Fund	D	22,575.36	22,575.36
Beach Capital Fund	E	-	39,646.83
		<u>3,510,410.23</u>	<u>3,513,728.06</u>
Reserve for Receivables and Other Assets	A	567,065.33	1,614,033.68
Fund Balance	A-1	<u>2,200,099.02</u>	<u>1,024,470.11</u>
		<u>6,277,574.58</u>	<u>6,152,231.85</u>
Federal and State Grants:			
Encumbrances Payable	A-22	15,990.40	45,171.09
Reserve For Grants:			
Appropriated	A-22	400,472.46	1,645,526.13
Unappropriated	A-23	8,656.38	17,409.95
Due to Current Fund	A-24	131,669.36	1,024,542.21
Due to Beach Capital Fund	E	<u>37.97</u>	<u>37.97</u>
Federal and State Grants:		<u>556,826.57</u>	<u>2,732,687.35</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 6,834,401.15</u>	<u>\$ 8,884,919.20</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
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 554,172.74	\$ 598,760.68
Miscellaneous Revenue Anticipated	1,703,961.66	1,759,173.38
Delinquent Taxes	223,439.31	202,357.37
Non-Budget Revenue	423,040.99	354,472.84
Current Taxes	10,143,604.07	8,760,350.46
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	381,074.20	375,788.96
Interfunds Returned	-	21,851.82
Local District School Tax Returned	22,592.81	-
	<hr/>	<hr/>
Total Revenue	<u>13,451,885.78</u>	<u>12,072,755.51</u>
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	1,956,108.50	2,083,900.00
Other Expenses	2,168,426.50	2,153,712.12
Deferred Charges and Statutory Expenditures	481,384.11	478,117.88
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	25,000.00	42,500.00
Other Expenses	254,171.49	774,113.18
Capital Improvements	50,000.00	50,000.00
Municipal Debt Service	683,575.19	639,690.59
Deferred Charges and Statutory Expenditures	50,000.00	50,000.00
County Taxes	1,974,930.78	1,874,318.79
Due County Added Taxes	23,422.56	12,027.59
Regional High School Taxes	3,333,669.00	2,124,346.00
Local District School Tax	642,974.00	849,456.00
Tax Overpayments Charged to Operations	-	30,700.72
Tax Appeals Refunded	3,555.00	13,519.70
Local District School Tax Advanced	-	141,387.00
Interfunds Advanced	74,867.00	737,479.25
	<hr/>	<hr/>
Total Expenditures	<u>11,722,084.13</u>	<u>12,055,268.82</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
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Excess/(Deficit) in Revenue	1,729,801.65	17,486.69
Fund Balance, January 1	<u>1,024,470.11</u>	<u>1,605,744.10</u>
	2,754,271.76	1,623,230.79
Decreased By:		
Utilized as Anticipated Revenue	<u>554,172.74</u>	<u>598,760.68</u>
Fund Balance, December 31	<u>\$ 2,200,099.02</u>	<u>\$ 1,024,470.11</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, 2017**

	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	\$ 554,172.74	\$ -	\$ 554,172.74	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	40,000.00	-	40,720.00	720.00
Other	13,000.00	-	13,240.00	240.00
Fines and Costs - Municipal Court	130,000.00	-	138,085.21	8,085.21
Interest and Costs on Taxes	53,000.00	-	53,963.75	963.75
Interest on Investments	3,700.00	-	15,402.47	11,702.47
Cable Television Franchise Fee	37,214.95	-	39,213.11	1,998.16
Energy Receipts	160,827.00	-	160,827.00	-
Uniform Construction Code Fees	151,000.00	-	132,508.00	(18,492.00)
Interfunds Receivable	400,000.00	-	1,066,830.63	666,830.63
Distracted Driving Incentive	5,500.00	-	5,500.00	-
Recycling Tonnage Grant	3,247.71	-	3,247.71	-
Drunk Driving Enforcement Fund	8,500.98	2,877.74	11,378.72	-
Clean Communities Program	5,237.98	-	5,237.98	-
Drive Sober or Get Pulled Over Grant	-	16,000.00	16,000.00	-
Body Armor Replacement Fund	-	1,383.80	1,383.80	-
Alcohol Education and Rehabilitation Fund	423.28	-	423.28	-
Total Miscellaneous Revenues	1,011,651.90	20,261.54	1,703,961.66	672,048.22
Receipts From Delinquent Taxes	224,346.00	-	223,439.31	(906.69)
Amount To Be Raised By Taxes For Support of Municipal Budget	4,247,268.42	-	4,548,607.73	301,339.31
Budget Totals	6,037,439.06	20,261.54	7,030,181.44	972,480.84
Non-Budget Revenue	-	-	423,040.99	423,040.99
Total General Revenues	\$ 6,037,439.06	\$ 20,261.54	\$ 7,453,222.43	\$ 1,395,521.83

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, 2017**

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 10,143,604.07
Less: Allocated to School and County Taxes	5,974,996.34
Balance for Support of Municipal Budget Appropriations	4,168,607.73
Add: "Appropriation Reserve for Uncollected Taxes"	380,000.00
Amount for Support of Municipal Budget Appropriations	\$ 4,548,607.73
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	\$ 223,439.31
	\$ 223,439.31
Miscellaneous Revenue Not Anticipated:	
Tax Sale Cost Interest	843.31
Marriage Licenses	470.00
Uniform Fire Safety Act	7,974.15
Fees and Permits - Health	7,750.00
Cell Tower Lease	8,758.08
Parking Revenue	253,364.00
Police Off Duty Admin Fee	32,355.00
Refunds	15,368.81
Miscellaneous - Other	96,157.64
	\$ 423,040.99

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, 2017 AND 2016**

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
	\$	138,000.00	\$	128,169.57	\$	1,868.47
		97,000.00		86,038.66	12,040.00	921.34
Municipal Clerk:						
Salaries and Wages	95,000.00	63,500.00	62,629.50	-	870.50	-
Other Expenses	66,000.00	49,500.00	47,757.52	432.47	1,310.01	-
Financial Administration (Treasury):						
Salaries and Wages	56,000.00	50,000.00	49,004.79	-	995.21	-
Other Expenses	52,000.00	45,000.00	41,636.37	2,554.84	808.79	-
Audit Services:						
Other Expenses	32,000.00	36,000.00	36,000.00	-	-	-
Revenue Administration (Tax Collection):						
Salaries and Wages	62,000.00	57,500.00	57,253.08	-	246.92	-
Other Expenses	11,000.00	11,000.00	8,621.53	437.60	1,940.87	-
Tax Assessment Administration:						
Salaries and Wages	26,500.00	26,500.00	26,380.95	-	119.05	-
Other Expenses	7,500.00	14,500.00	12,431.36	-	2,068.64	-
Computerized Data Processing:						
Other Expenses	7,500.00	9,000.00	8,678.18	150.00	171.82	-
Legal Services:						
Other Expenses	125,000.00	165,000.00	151,963.42	-	13,036.58	-
Engineering Services:						
Other Expenses	50,000.00	125,000.00	98,499.36	-	26,500.64	-

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, 2017 AND 2016**

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
LAND USE ADMINISTRATION						
Planning and Zoning Board of Adjustment:						
Salaries and Wages	37,500.00	38,700.00	38,499.04	-	200.96	-
Other Expenses	14,600.00	19,600.00	18,717.97	20.00	862.03	-
INSURANCE						
General Liability	75,000.00	68,830.76	68,830.76	-	-	-
Workmen's Compensation	70,000.00	65,760.74	65,760.74	-	-	-
Employee Group Health	615,000.00	597,000.00	588,003.74	-	8,996.26	-
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	1,200,000.00	1,180,000.00	1,177,040.15	-	2,959.85	-
Other Expenses	118,000.00	118,000.00	101,262.92	14,365.12	2,371.96	-
Office of Emergency Management:						
Salaries and Wages	5,000.00	-	-	-	-	-
Other Expenses	16,000.00	16,000.00	9,120.09	6,709.20	170.71	-
Aid to Volunteer Squad:						
Other Expenses	12,500.00	12,500.00	12,500.00	-	-	-
Fire:						
Fire Hydrant Rental	29,000.00	29,000.00	26,564.30	-	2,435.70	-
Other Expenses	50,850.00	50,850.00	34,884.17	7,425.23	8,540.60	-
Municipal Prosecutor's Office:						
Salaries and Wages	14,500.00	1,170.46	1,170.46	-	-	-

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, 2017 AND 2016**

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
PUBLIC WORKS FUNCTIONS						
Streets and Road Maintenance:						
Salaries and Wages	165,000.00	200,000.00	197,883.89	-	2,116.11	-
Other Expenses	105,000.00	81,000.00	58,248.86	18,085.16	4,665.98	-
Maintenance of Bulkheads	2,500.00	-	-	-	-	-
Buildings and Grounds:						
Salaries and Wages	9,000.00	8,000.00	6,475.87	-	1,524.13	-
Other Expenses	40,000.00	40,900.00	39,406.10	529.52	964.38	-
Beautification	6,000.00	6,000.00	398.98	-	5,601.02	-
Solid Waste Disposal:						
Other Expenses	138,000.00	129,000.00	117,647.75	10,070.25	1,282.00	-
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	58,800.00	58,800.00	58,687.00	-	113.00	-
Animal Control Services:						
Other Expenses	7,500.00	6,285.00	4,148.87	-	2,136.13	-
PARK AND RECREATION FUNCTIONS						
Recreation Services and Programs:						
Salaries and Wages	7,000.00	5,000.00	4,791.80	-	208.20	-
Other Expenses	11,000.00	11,000.00	9,991.99	500.00	508.01	-
Celebration of Public Events:						
Other Expenses	2,000.00	2,000.00	-	112.22	1,887.78	-
Municipal Court:						
Salaries and Wages	25,000.00	24,500.00	23,450.25	-	1,049.75	-
Other Expenses	3,000.00	11,000.00	9,971.39	-	1,028.61	-
Public Defender:						
Salaries and Wages	5,000.00	200.00	200.00	-	-	-

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, 2017 AND 2016**

	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	164,000.00	159,500.00	157,587.48	-	1,912.52	-
Other Expenses	15,500.00	8,000.00	6,646.49	234.00	1,119.51	-
Fire Marshall:						
Salaries and Wages	11,000.00	11,500.00	11,065.17	-	434.83	-
Other Expenses	1,000.00	1,000.00	500.00	-	500.00	-
Demolition of Unsafe Structures	5,000.00	2,100.00	1,022.28	-	1,077.72	-
UTILITY EXPENSE AND BULK PURCHASES						
Electricity	40,000.00	37,000.00	29,265.82	-	7,734.18	-
Street Lighting	35,000.00	40,000.00	31,511.85	-	8,488.15	-
Telephone	40,000.00	34,800.00	29,699.98	-	5,100.02	-
Water	6,000.00	9,000.00	5,904.95	-	3,095.05	-
Natural Gas & Propane	20,000.00	15,000.00	9,615.55	-	5,384.45	-
Gasoline	66,000.00	56,500.00	52,847.30	-	3,652.70	-
LANDFILL / SOLID WASTE DISPOSAL COSTS						
Landfill Disposal Costs	95,000.00	87,500.00	79,357.70	-	8,142.30	-
Total Operations Within "CAPS"	4,166,750.00	4,124,535.00	3,903,745.95	73,665.61	147,123.44	-
Contingent	-	-	-	-	-	-
Total Operations Including Contingent Within "CAPS"	4,166,750.00	4,124,535.00	3,903,745.95	73,665.61	147,123.44	-
Detail:						
Salaries and Wages	2,020,500.00	1,956,108.50	1,941,602.00	-	14,506.50	-
Other Expenses	2,146,250.00	2,168,426.50	1,962,143.95	73,665.61	132,616.94	-

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, 2017 AND 2016**

	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	79,696.11	79,696.11	79,696.11	-	-	-
Social Security System (O.A.S.I.)	98,000.00	98,000.00	95,146.31	-	2,853.69	-
Unemployment Insurance	15,000.00	15,000.00	15,000.00	-	-	-
Defined Contribution Retirement Program	2,000.00	-	-	-	-	-
Police and Firemen's Retirement System	288,688.00	288,688.00	288,688.00	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	483,384.11	481,384.11	478,530.42	-	2,853.69	-
Total General Appropriations for Municipal Purposes Within "CAPS"	4,650,134.11	4,605,919.11	4,382,276.37	73,665.61	149,977.13	-
OPERATIONS - EXCLUDED FROM "CAPS"						
Aid to Privately Owned Library (NISA 40:54-35)						
Salaries and Wages	25,000.00	25,000.00	21,748.50	-	3,251.50	-
Other Expenses	23,800.00	23,800.00	4,608.40	601.10	18,590.50	-
Recycling Tax	5,000.00	5,000.00	2,927.76	-	2,072.24	-
CDBG Essential Services Funding: DPW - Streets and Roads Salaries and Wages						
	-	-	-	-	-	-
Total Other Operations Excluded From "CAPS"	53,800.00	53,800.00	29,284.66	601.10	23,914.24	-

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, 2017 AND 2016**

	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	75,000.00	75,000.00	74,970.00	-	30.00	-
Monmouth County Sheriff's Office- 911 Dispatch	82,800.00	82,800.00	82,729.00	-	71.00	-
Fire Marshall Vehicle - Ocean Township	900.00	900.00	900.00	-	-	-
Monmouth County Archive Program	3,000.00	3,000.00	-	-	3,000.00	-
Total Interlocal Municipal Service Agreements	182,200.00	182,200.00	158,599.00	-	23,601.00	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
State of New Jersey:						
Department of Environmental Protection:						
Clean Communities Program	5,237.98	5,237.98	5,237.98	-	-	-
Body Armor Replacement Fund	-	1,383.80	1,383.80	-	-	-
Drive Sober or Get Pulled Over Grant	-	16,000.00	16,000.00	-	-	-
Recycling Tonnage Grant	3,247.71	3,247.71	3,247.71	-	-	-
Drunk Driving Enforcement Fund	8,500.98	11,378.72	11,378.72	-	-	-
Alcohol Education and Rehabilitation Fund	423.28	423.28	423.28	-	-	-
Distracted Driving Incentive	5,500.00	5,500.00	5,500.00	-	-	-
Total Public and Private Programs Offset By Revenue	22,909.95	43,171.49	43,171.49	-	-	-
Total Operations - Excluded From "CAPS"	258,909.95	279,171.49	231,055.15	601.10	47,515.24	-

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, 2017 AND 2016**

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Detail:					
Salaries and Wages	25,000.00	25,000.00	21,748.50	-	3,251.50
Other Expenses	233,909.95	254,171.49	209,306.65	601.10	44,263.74
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	400,000.00	400,000.00	400,000.00	-	-
Note Principal - Special Emergency Note	-	44,215.00	44,215.00	-	-
Interest on Notes	24,145.00	24,145.00	17,993.55	-	6,151.45
Interest on Bonds	118,095.00	118,095.00	117,746.66	-	348.34
Capital Lease Obligations Approved Prior to 07/12/07:					
Principal	101,100.00	101,100.00	101,100.00	-	-
Interest	5,055.00	5,055.00	2,519.98	-	2,535.02
Total Municipal Debt Service - Excluded From "CAPS"	648,395.00	692,610.00	683,575.19	-	9,034.81
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, 2017 AND 2016**

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	
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"	1,007,304.95	1,071,781.49	1,014,630.34	601.10	47,515.24
Subtotal General Appropriations	5,657,439.06	5,677,700.60	5,396,906.71	74,266.71	197,492.37
Reserve for Uncollected Taxes	380,000.00	380,000.00	380,000.00	-	-
Total General Appropriations	\$ 6,037,439.06	\$ 6,057,700.60	\$ 5,776,906.71	\$ 74,266.71	\$ 197,492.37

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

\$ 6,037,439.06
20,261.54
\$ 6,057,700.60

Analysis of Paid or Charged:

Reserve For:

Uncollected Taxes
Federal and State Grants
Deferred Charges
Interfund CIF
Cash Disbursements

\$ 380,000.00
43,171.49
50,000.00
50,000.00
5,253,735.22
\$ 5,776,906.71

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, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ 1,696.53	\$ 4,937.27
		<u>1,696.53</u>	<u>4,937.27</u>
Other Trust Funds:			
Cash - Trust Other	B-1	666,956.38	624,130.99
Due From General Capital Fund	B-5	31,294.00	31,294.00
Due From Payroll Trust	A	52,939.82	-
Due From Beach Capital Fund	B-6	16,000.00	16,000.00
		<u>100,233.82</u>	<u>47,294.00</u>
Payroll Agency Fund:			
Cash	B-9	108,590.28	63,597.25
Total Assets		<u>\$ 877,477.01</u>	<u>\$ 739,959.51</u>
<u>Liabilities and Reserves</u>			
Animal Control Fund:			
Due to State	B-2	\$ 9.20	\$ 8.00
Reserve For Animal Control Fund Expenditures	B-3	429.89	710.91
Due Current Fund - Statutory Excess	B-4	1,257.44	4,218.36
		<u>1,696.53</u>	<u>4,937.27</u>
Other Trust Funds:			
Reserve For:			
Due To Current Fund	A	-	18,466.84
Due To Sewer Operating Fund	B-7	299.75	299.75
Various Reserves	B-8	766,890.45	652,658.40
		<u>767,190.20</u>	<u>671,424.99</u>
Payroll Agency Fund:			
Due to Trust Other	A	52,939.82	56,074.58
Reserve for Payroll	B-9	55,650.46	7,522.67
Total Liabilities and Reserves		<u>\$ 877,477.01</u>	<u>\$ 739,959.51</u>

The accompanying Notes to 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 STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

<u>Assets</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Cash	C-2	\$ 69,995.36	\$ 69,995.36
Grants Receivable	C-4	5,384,650.00	6,394,650.00
Due from Home Owner	C-5	24,104.00	24,104.00
Due from Current Fund	C-6	49,822.23	-
Deferred Charges to Future Taxation:			
Funded	C-7	2,655,000.00	3,156,100.00
Unfunded	C-8	7,337,985.00	7,195,485.00
		<u> </u>	<u> </u>
Total Assets		<u>\$ 15,521,556.59</u>	<u>\$ 16,840,334.36</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-9	\$ 2,655,000.00	\$ 3,055,000.00
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
Encumbrances Payable	C-12	425,227.89	256,761.49
Due to Beach Capital Fund	E	626,592.35	626,592.35
Improvement Authorizations:			
Funded	C-12	5,346,138.88	6,120,025.27
Unfunded	C-12	4,842,155.20	5,119,912.81
Capital Improvement Fund	C-13	80,655.87	38,155.87
Various Reserves	C-15	274,328.72	274,328.72
Fund Balance	C-1	32,913.68	9,913.85
		<u> </u>	<u> </u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 15,521,556.59</u>	<u>\$ 16,840,334.36</u>

There were bonds and notes authorized but not issued on December 31, 2017 in the amount of \$6,130,735.00 and on December 31, 2016 in the amount of \$5,988,235.00

**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, 2017 AND 2016**

Balance, December 31, 2016	\$ 9,913.85
Increased By:	
Premium Note Sale	<u>22,999.83</u>
Balance, December 31, 2017	<u>\$ 32,913.68</u>

**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, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Operating Fund:			
Cash - Checking	D-4	\$ 569,153.88	\$ 663,382.14
Due from Trust - Other	B	<u>299.75</u>	<u>299.75</u>
		569,453.63	663,681.89
Receivables with Full Reserves:			
Sewer Rents Receivable	D-6	<u>78,065.23</u>	<u>116,082.92</u>
		78,065.23	116,082.92
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>1,063,216.92</u>	<u>1,195,462.87</u>
Capital Fund:			
Cash - Checking	D-4	157,913.82	157,913.82
Fixed Capital	D-7	1,637,399.80	1,637,399.80
Fixed Capital Authorized and Uncompleted	D-8	1,026,000.00	626,000.00
Due from Current Fund	A	22,575.36	22,575.36
Due from Sewer Operating Fund	D	<u>30,000.00</u>	<u>20,000.00</u>
Total Capital Fund		<u>2,873,888.98</u>	<u>2,463,888.98</u>
Total Assets		<u>\$ 3,937,105.90</u>	<u>\$ 3,659,351.85</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, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-3	\$ 57,067.63	\$ 209,451.91
Encumbrances Payable	D-3	16,076.50	5,290.00
Sewer Rent Overpayments	D-10	9,062.84	9,868.70
Accrued Interest on Bonds	D-11	500.00	300.00
Accounts Payable	D-15	175.00	175.00
Due to Sewer Capital Fund	D	30,000.00	20,000.00
Due to Current Fund	A	9,534.95	55,828.64
Community Disaster Loan Payable	D	415,698.06	415,698.06
		<u>538,114.98</u>	<u>716,612.31</u>
Reserve for Receivables	D	78,065.23	116,082.92
Fund Balance	D-1	447,036.71	362,767.64
		<u>525,101.94</u>	<u>478,850.56</u>
Total Operating Fund		<u>1,063,216.92</u>	<u>1,195,462.87</u>
Capital Fund:			
Bond Anticipation Notes	D-13	332,500.00	332,500.00
Improvement Authorizations:			
Funded	D-12	22,086.46	2,086.46
Unfunded	D-12	380,000.00	-
Encumbrances Payable	D-12	46,495.14	46,495.14
Capital Improvement Fund	D-14	138,452.00	148,452.00
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	313,500.00	293,500.00
Total Capital Fund		<u>2,873,888.98</u>	<u>2,463,888.98</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,937,105.90</u>	<u>\$ 3,659,351.85</u>

There were bonds and notes authorized but not issued at December 31, 2017 of \$380,000, and at December 31, 2016 of \$0.

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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Surplus Anticipated	\$ 90,850.00	\$ 85,000.00
Sewer Rents	679,117.61	645,195.84
Miscellaneous Revenue	13,166.27	17,925.34
FEMA Public Assistance	-	-
Other Credits To Income:		
Appropriation Reserves Lapsed	<u>123,065.40</u>	<u>5,453.70</u>
Total Revenue	<u>920,274.84</u>	<u>757,358.59</u>
Expenditures:		
Operating:		
Salaries and Wages	143,000.00	145,000.00
Other Expenses	572,000.00	526,350.00
Debt Service	5,155.77	6,631.52
Capital Improvements	10,000.00	10,000.00
Deferred Charges and Statutory Expenditures	<u>15,000.00</u>	<u>17,000.00</u>
	<u>745,155.77</u>	<u>704,981.52</u>
Excess/(Deficit) in Revenue	175,119.07	52,377.07
Fund Balance, January 1	<u>362,767.64</u>	<u>395,390.57</u>
	537,886.71	447,767.64
Decreased By:		
Utilized as Anticipated Revenue	<u>90,850.00</u>	<u>85,000.00</u>
Fund Balance, December 31	<u><u>\$ 447,036.71</u></u>	<u><u>\$ 362,767.64</u></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
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus	\$ 90,850.00	\$ 90,850.00	\$ -
Rents - Sewer	645,000.00	679,117.61	34,117.61
Miscellaneous Sewer	16,150.00	14,075.56	(2,074.44)
Additional Sewer User Charges	-	13,166.27	13,166.27
	<u>\$ 752,000.00</u>	<u>\$ 797,209.44</u>	<u>\$ 45,209.44</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest Earned on Investments	<u>\$ 13,166.27</u>
	<u>\$ 13,166.27</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
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Expended			
	Original Budget	Budget After Modifications	Paid or Charged	Encumbrances	Reserved	Cancelled
Operating:						
Sewer:						
Salaries and Wages	\$ 143,000.00	\$ 143,000.00	\$ 125,317.31	\$ -	\$ 17,682.69	\$ -
Other Expenses	150,000.00	150,000.00	103,681.76	16,076.50	30,241.74	-
Two Rivers Water Reclamation Authority	422,000.00	422,000.00	422,000.00	-	-	-
Total Operating	715,000.00	715,000.00	650,999.07	16,076.50	47,924.43	-
Capital Improvements:						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Capital Improvements	10,000.00	10,000.00	10,000.00	-	-	-
Debt Service:						
Interest on Notes	12,000.00	12,000.00	5,155.77	-	-	6,844.23
Total Debt Service	12,000.00	12,000.00	5,155.77	-	-	6,844.23
Statutory Expenditures:						
Contributions To:						
Public Employees Retirement System	5,000.00	5,000.00	-	-	5,000.00	-
Social Security System (O.A.S.I.)	10,000.00	10,000.00	5,856.80	-	4,143.20	-
Total Statutory Expenditures	15,000.00	15,000.00	5,856.80	-	9,143.20	-
Total Sewer Utility Appropriations	\$ 752,000.00	\$ 752,000.00	\$ 672,011.64	\$ 16,076.50	\$ 57,067.63	\$ 6,844.23
Cash Disbursed			\$ 661,811.64			
Accrued Interest			200.00			
Capital Improvement Fund			10,000.00			
			<u>\$ 671,811.64</u>			

The accompanying Notes to 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 STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Operating Fund:			
Cash	E-5	\$ 751,801.05	\$ 972,817.57
Change Fund	E-6	140.00	140.00
Due From Beach Utility Capital Fund	E-20	500,772.56	200,772.56
		<hr/>	<hr/>
Total Operating Fund		1,252,713.61	1,173,730.13
		<hr/>	<hr/>
Deferred Charges:			
Community Disaster Loan	E	207,363.21	207,363.21
		<hr/>	<hr/>
Total Deferred Charges		207,363.21	207,363.21
		<hr/>	<hr/>
Total Operating Fund		1,460,076.82	1,381,093.34
		<hr/>	<hr/>
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
Due From General Capital	C	626,592.35	626,592.35
FEMA Receivable	E-7	-	1,450,000.00
Beach Settlements Receivable	E-7	400,000.00	400,000.00
Insurance Receivable	E-7	185,000.00	185,000.00
Fixed Capital	E-8	80,930.98	80,930.98
Fixed Capital Authorized and Uncompleted	E-9	5,925,000.00	5,925,000.00
		<hr/>	<hr/>
Total Capital Fund		7,292,561.30	8,782,208.13
		<hr/>	<hr/>
Total Assets		\$ 8,752,638.12	\$ 10,163,301.47
		<hr/> <hr/>	<hr/> <hr/>

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	E-4	\$ 71,613.39	\$ 84,555.26
Encumbrances Payable	E-4	51,722.24	15,395.73
Accrued Interest on Bonds	E-11	2,200.00	1,450.00
Prepaid Badges	E-12	121,490.00	28,930.00
Accounts Payable	E-18	1,161.03	1,008.95
Due to Current Fund	A	-	50,161.75
Community Disaster Loan Payable	E	207,363.21	207,363.21
		<u>455,549.87</u>	<u>388,864.90</u>
Fund Balance	E-1	<u>1,004,526.95</u>	<u>992,228.44</u>
Total Operating Fund		<u>1,460,076.82</u>	<u>1,381,093.34</u>
Capital Fund:			
Bond Anticipation Notes	E-13	1,555,785.00	1,600,000.00
Encumbrances Payable	E-14	150,216.87	138,347.20
Improvement Authorizations:			
Funded	E-14	141,403.77	2,048,919.97
Unfunded	E-14	1,885,332.95	1,954,200.25
Reserve For:			
Amortization	E-15	91,430.98	91,430.98
Deferred Amortization	E-16	2,613,465.00	2,569,250.00
Payment of Debt	E-19	13,002.45	13,002.45
Capital Improvement Fund	E-17	250,235.96	150,235.96
Due To Current Fund	A	74,867.00	-
Due To Beach Utility Operating Fund	E-20	500,772.56	200,772.56
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>7,292,561.30</u>	<u>8,782,208.13</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 8,752,638.12</u>	<u>\$ 10,163,301.47</u>

There were bonds and notes authorized but not issued at December 31, 2017 of \$1,745,250.00 and at December 31, 2016 of \$1,745,250.00.

The accompanying Notes to Financials 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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Operating Surplus Anticipated	\$ 80,000.00	\$ 75,000.00
Beach Fees By Ordinance	565,277.00	598,310.00
Miscellaneous Revenue Not Anticipated	42,387.55	25,991.32
Other Credits To Income:		
Appropriation Reserves Lapsed	95,106.13	28,635.93
	<u>782,770.68</u>	<u>727,937.25</u>
Total Revenue		
Expenditures:		
Operating:		
Salaries and Wages	331,000.00	264,000.00
Other Expenses	176,000.00	151,500.00
Debt Service	27,472.17	31,911.11
Capital Improvements	130,000.00	200,000.00
Deferred Charges and Statutory Expenditures	26,000.00	25,000.00
	<u>690,472.17</u>	<u>672,411.11</u>
Excess/(Deficit) in Revenue	92,298.51	55,526.14
Fund Balance, January 1	<u>992,228.44</u>	<u>1,011,702.30</u>
	1,084,526.95	1,067,228.44
Decreased By:		
Utilized as Anticipated Revenue	<u>80,000.00</u>	<u>75,000.00</u>
Fund Balance, December 31	<u><u>\$ 1,004,526.95</u></u>	<u><u>\$ 992,228.44</u></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 CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016**

Balance, December 31, 2017 & 2016

\$ 48.76

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 REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 80,000.00	\$ 80,000.00	\$ -
Beach Fees By Ordinance	625,000.00	565,277.00	(59,723.00)
MRNA	-	42,387.55	42,387.55
	<u>\$ 705,000.00</u>	<u>\$ 687,664.55</u>	<u>\$ (17,335.45)</u>

Analysis of Beach Fees

Current Year Cash Receipts	\$ 536,347.00
Prepaid Badges Applied	<u>28,930.00</u>
	<u>\$ 565,277.00</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 OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original Budget	Budget After Modifications	Expended			
			Disbursed	Encumbered	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 331,000.00	\$ 331,000.00	\$ 297,120.62	\$ -	\$ 33,879.38	\$ -
Other Expenses	141,000.00	141,000.00	118,201.61	15,477.24	7,321.15	-
Dune Maintenance	25,000.00	25,000.00	2,084.88	6,245.00	16,670.12	-
Junior Lifeguard Program	10,000.00	10,000.00	7,347.02	-	2,652.98	-
Total Operating	507,000.00	507,000.00	424,754.13	21,722.24	60,523.63	-
Capital Improvements:						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
Capital Outlay	30,000.00	30,000.00	-	30,000.00	-	-
Total Capital Improvements	130,000.00	130,000.00	100,000.00	30,000.00	-	-
Debt Service:						
Interest on Notes	42,000.00	42,000.00	27,472.17	-	-	14,527.83
Total Debt Service	42,000.00	42,000.00	27,472.17	-	-	14,527.83
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	6,000.00	6,000.00	-	-	6,000.00	-
Social Security System (O.A.S.I.)	20,000.00	20,000.00	14,910.24	-	5,089.76	-
Total Statutory Expenditures	26,000.00	26,000.00	14,910.24	-	11,089.76	-
Total Beach Utility Appropriations	\$ 705,000.00	705,000.00	\$ 567,136.54	\$ 51,722.24	\$ 71,613.39	\$ 14,527.83

The accompanying Notes to 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, 2017 AND 2016**

	<u>Reference</u>	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</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>3,363,912.92</u>	<u>3,195,769.07</u>
Total General Fixed Assets	F-1	<u>\$ 13,963,912.92</u>	<u>\$ 13,795,769.07</u>
Investment in General Fixed Assets		<u>\$ 13,963,912.92</u>	<u>\$ 13,795,769.07</u>

The accompanying Notes to 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, 2017**

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**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Sea Bright, County of Monmouth, New Jersey (hereafter referred to as the "Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. Administrative responsibilities are assigned to the Borough Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough 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 State of America applicable to local government units. The more significant differences are explained further in this note.

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

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Utility Operating and Capital Funds – These funds accounts for utility 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 utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Borough.

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its Current and Utility Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to

BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must 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 municipality. 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.40A:4-9*. 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 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. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - 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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore unrealized gains or losses on investments have not been recorded.

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

Inventories and Supplies - The cost 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.

BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 acquisition value as of the date of the transaction. 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. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Foreclosed property – Foreclosed Property or "Property Acquired for Taxes" 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 overexpenditures 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.

Fund Balance – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the

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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 revenues when received.

Utility Revenues – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Boroughs utility operating fund.

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, and Oceanport School District and Shore Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. 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 January 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Oceanport School District and Shore Regional School District]. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2017.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

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 – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve 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 interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

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Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility Capital Fund. 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 – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Borough’s financial statements.

Note 2. Deposits and Investments

The Borough is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough’s deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by 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 below.

As of December 31, 2017, the Borough’s bank balance of \$7,543,328.70 was insured or collateralized as follows:

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Insured under FDIC and GUDPA	\$ 6,515,721.85
NJ Cash Management Fund	47.07
Uninsured and Uncollateralized	1,027,559.78
	\$ 7,543,328.70

Investments

The Borough had no investments as of December 31, 2017.

Note 3. 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 Schedule of Tax Rates

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	\$ 1.459	\$ 1.305	\$ 2.006
Apportionment of Tax Rate:			
Municipal	0.625	0.596	0.892
County	0.265	0.274	0.445
Local School	0.092	0.124	0.177
Regional School	0.477	0.311	0.492

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2017	\$ 699,175,583.00
2016	683,634,536.00
2015	437,700,056.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 10,324,682.80	\$ 10,143,604.07	98.24%
2016	8,985,794.91	8,760,350.46	97.49%
2015	8,841,470.72	8,636,614.74	97.68%

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Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2017	\$ 10,334.15	\$ 180,541.82	\$ 190,875.97	1.85%
2016	10,640.55	224,908.09	235,548.64	2.62%
2015	10,104.19	203,838.94	213,943.13	2.42%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2017	3
2016	3
2015	3

The last tax sale was held on December 13, 2017.

Note: 4: Property Acquired By Tax Title Lien Liquidation

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2017, 2016 or 2015.

Note: 5: Sewer Utility Service Charges

The following is a three-year comparison of sewer utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 116,082.92	\$ 641,099.92	\$ 757,182.84	\$ 679,117.61	89.69%
2016	91,584.44	669,694.32	761,278.76	645,195.84	84.75%
2015	34,418.07	659,065.69	693,483.76	601,899.32	86.79%

Note 6. Fund Balances Appropriated

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

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Current Fund:

2017	\$ 2,200,099.02	\$ 679,738.39	30.90%
2016	1,024,470.11	554,172.74	54.09%
2015	1,605,744.10	598,760.68	37.29%

Sewer Utility Operating Fund:

2017	\$ 447,036.71	\$ 170,413.00	38.12%
2016	362,767.64	90,850.00	25.04%
2015	395,390.57	85,000.00	21.50%

Beach Utility Operating Fund:

2017	\$ 1,004,526.95	\$ 337,300.00	33.58%
2016	992,228.44	80,000.00	8.06%
2015	1,011,702.30	75,000.00	7.41%

Note 7. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 8. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2017:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 217,328.75	\$ 72,397.59
State and Federal Grant Fund	-	131,707.33
Animal Control Trust	-	1,257.44
Trust Other Fund	47,294.00	299.75
Capital Fund	49,822.23	657,886.35
Sewer Utility Operating Fund	299.75	39,534.95
Sewer Utility Capital Fund	52,575.36	-
Beach Utility Operating Fund	500,772.56	-
Beach Utility Capital Fund	626,630.32	591,639.56
	<u>\$1,494,722.97</u>	<u>\$ 1,494,722.97</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

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A summary of interfund transfers is as follows:

Fund	Transfers In (net)	Transfers Out (net)
Current Fund	\$1,002,139.03	\$ -
State and Federal Grant Fund	-	892,872.85
Animal Control Trust	-	2,960.92
Trust Other Fund	-	71,406.66
Capital Fund	-	49,822.23
Sewer Utility Operating Fund	-	36,293.69
Sewer Utility Capital Fund	-	10,000.00
Beach Utility Operating Fund	371,732.24	350,161.75
Beach Utility Capital Fund	39,646.83	-
	<u>\$1,413,518.10</u>	<u>\$ 1,413,518.10</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2017.

	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Land	\$ 9,503,700.00	\$ -	\$ -	\$ 9,503,700.00
Buildings and Improvements	1,096,300.00	-	-	1,096,300.00
Machinery & Equipment	3,195,769.07	168,143.85	-	3,363,912.92
	<u>\$ 13,795,769.07</u>	<u>\$ 168,143.85</u>	<u>\$ -</u>	<u>\$ 13,963,912.92</u>

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Note 10. 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 <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 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

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 2017, 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

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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. For the year ended December 31, 2017, the Borough's contractually required contribution to PERS plan was \$86,657.

Components of Net Pension Liability - At December 31, 2017, the Borough's proportionate share of the PERS net pension liability was \$2,177,516. The net pension liability was measured as of June 30, 2017. 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, 2016, which was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Borough's proportion measured as of June 30, 2017, was 0.0093542% which was an increase of 0.0005695% from its proportion measured as of June 30, 2016.

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 792,897	\$ 941,732
Deferred Inflows of Resources	751,047	412,562
Net Pension Liability	2,177,516	2,601,775
 Borough's portion of the Plan's total net pension Liability	 0.00935%	 0.00878%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2017 measurement date is \$157,060. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$86,657 to the plan in 2017.

At December 31, 2017, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 51,273	\$ -
Changes of Assumptions	438,695	437,086
Net Difference between Projected and Actual Earnings on Pension Plan Investments	14,827	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>288,102</u>	<u>313,961</u>
	<u>\$ 792,897</u>	<u>\$ 751,047</u>

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

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	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow 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	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
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	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between 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
June 30, 2017	5.48	5.48

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

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Year Ending <u>Dec 31,</u>	<u>Amount</u>
2018	\$ 46,074
2019	69,972
2020	36,298
2021	(72,639)
2022	<u>(37,855)</u>
	<u>\$ 41,850</u>

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:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
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 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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these

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

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

Discount Rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation 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 40% 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

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

Sensitivity of the Borough’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 2,701,357</u>	<u>\$ 2,177,516</u>	<u>\$ 1,741,092</u>

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 <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability 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:

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

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 employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted

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FOR THE YEAR ENDED DECEMBER 31, 2017**

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 2017, 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. For the year ended December 31, 2017, the Borough's contractually required contributions to PFRS plan was \$292,405.

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

Net Pension Liability and Pension Expense - At December 31, 2017 the Borough's proportionate share of the PFRS net pension liability was \$5,100,648. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Borough's proportion measured as of June 30, 2017, was 0.0330394%, which was a decrease of 0.0023676% from its proportion measured as of June 30, 2016.

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/31/2016</u>
	June 30, 2017	June 30, 2016
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 1,135,013	\$ 1,931,724
Deferred Inflows of Resources	1,161,617	44,437
Net Pension Liability	5,100,648	6,763,651
Borough's portion of the Plan's total net pension Liabili	0.03304%	0.03541%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2017, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2017 measurement date was \$462,593. This expense is not recognized by the Borough because of the

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$292,405 to the plan in 2017.

At December 31, 2017, the Borough 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	\$ 33,090	\$ 29,937
Changes of Assumptions	628,967	835,337
Net Difference between Projected and Actual Earnings on Pension Plan Investments	97,332	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>375,624</u>	<u>296,343</u>
	<u>\$ 1,135,013</u>	<u>\$ 1,161,617</u>

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow 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
June 30, 2017	5.59	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
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	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between 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
June 30, 2017	5.59	5.59

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

**BOROUGH OF SEA BRIGHT
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Year Ending		Amount
<u>Dec 31,</u>		
2018	\$	157,323
2019		258,653
2020		10,718
2021		(312,089)
2022		<u>(141,209)</u>
	<u>\$</u>	<u>(26,604)</u>

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

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Borough is \$571,316 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. The State’s proportion of the net pension liability associated with the Borough was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2017 was 0.0330394%, which was a decrease of 0.0023676% from its proportion measured as of June 30, 2016, which is the same proportion as the Borough’s. At December 31, 2017, the Borough’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 5,100,648
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>571,316</u>
	<u>\$ 5,671,964</u>

At December 31, 2017, the State’s proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2017 measurement date was \$69,885.

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

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2010 - June 30, 2013

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, 2016 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 (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation 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 40% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

**BOROUGH OF SEA BRIGHT
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	1% Decrease <u>(5.14%)</u>	Current Discount Rate <u>(6.14%)</u>	1% Increase <u>(7.14%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 6,720,524	\$ 5,100,648	\$ 3,769,736
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>752,756</u>	<u>571,316</u>	<u>422,243</u>
	<u>\$ 7,473,280</u>	<u>\$ 5,671,964</u>	<u>\$ 4,191,979</u>

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

Note 10. Municipal Debt

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 3,862,250.00	\$ 4,262,250.00	\$ 4,754,250.00
Utility:			
Bonds, Notes and Loans	1,888,285.00	1,932,500.00	1,932,500.00
Total Debt Issued	<u>5,750,535.00</u>	<u>6,194,750.00</u>	<u>6,686,750.00</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	6,130,735.00	5,988,235.00	3,013,235.00
Utility:			
Bonds, Notes and Loans	2,125,250.00	1,745,250.00	258,500.00
Total Authorized But Not Issued	<u>8,255,985.00</u>	<u>7,733,485.00</u>	<u>3,271,735.00</u>
Total Gross Debt	<u>\$ 14,006,520.00</u>	<u>\$ 13,928,235.00</u>	<u>\$ 9,958,485.00</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service & Payment of Bonds	260,460.73	260,460.73	261,111.86
Utility:			
Self Liquidating Debt	\$ 1,888,285.00	\$ 1,932,500.00	\$ 1,932,500.00
Total Deductions	<u>2,148,745.73</u>	<u>2,192,960.73</u>	<u>2,193,611.86</u>
Total Net Debt	<u>\$ 11,857,774.27</u>	<u>\$ 11,735,274.27</u>	<u>\$ 7,764,873.14</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Debt	\$ 1,764,570.60	\$ 1,764,570.60	\$ -
General Debt	9,992,985.00	260,460.73	9,732,524.27
Utility Debt	4,013,535.00	4,013,535.00	-
	<u>\$ 15,771,090.60</u>	<u>\$ 6,038,566.33</u>	<u>\$ 9,732,524.27</u>

Net Debt \$9,732,524.27 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$670,491,104.67, equals 1.452%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate,

**BOROUGH OF SEA BRIGHT
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including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2017 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 23,467,188.66
Net Debt	9,732,524.27
Remaining Borrowing Power	\$ 13,734,664.39

Sewer Utility Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 692,873.37
Deductions:	
Operating and Maintenance Costs	\$ 725,000.00
Debt Service	4,955.77
Total Deductions	729,955.77
Excess/(Deficit) in Revenue	\$ (37,082.40)

*If Excess in Revenues all Utility Debt is Deducted

Beach Utility Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 613,664.55
Deductions:	
Operating and Maintenance Costs	\$ 533,000.00
Debt Service	2,874.80
Total Deductions	535,874.80
Excess/(Deficit) in Revenue	\$ 77,789.75

*If Excess in Revenues all Utility Debt is Deducted

**BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

General Debt

A. Serial Bonds Payable

The Borough currently has \$2,655,000 of General Obligation Bonds & Refunding Bonds outstanding. The Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on January 15, 2019, December 1, 2025 & December 1, 2028.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	235,000.00	50,312.50	285,312.50
2023-2027	1,020,000.00	99,512.50	1,119,512.50
2028	125,000.00	2,812.50	127,812.50
	<u>\$ 2,655,000.00</u>	<u>\$ 467,312.50</u>	<u>\$ 3,122,312.50</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2017:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2017</u>
2017A General Improvement Note	12/11/2017	12/7/2018	2.500%	<u>\$ 1,207,250.00</u>
				<u>\$ 1,207,250.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017, the Borough had \$6,130,735.00 in various General Capital bonds and notes authorized but not issued.

Sewer Utility Debt

A. Serial Bonds Payable

The Borough has no Sewer Utility Bonds Issued and Outstanding as of 12/31/2017.

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NOTES TO FINANCIAL STATEMENTS
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B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2017:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2017</u>
2017A Sewer Utility Note	12/11/2017	12/7/2018	2.500%	<u>\$ 332,500.00</u>
				<u><u>\$ 332,500.00</u></u>

The purpose of these short-term borrowings was to provide resources for utility capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017 the Borough had \$380,000.00 in various Utility bonds and notes authorized but not issued.

Beach Utility Debt

A. Serial Bonds Payable

The Borough has no Beach Utility Bonds Issued and Outstanding as of 12/31/2017.

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2017:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2017</u>
2017A Beach Utility Note	12/11/2017	12/7/2018	2.500%	<u>\$ 1,555,785.00</u>
				<u><u>\$ 1,555,785.00</u></u>

The purpose of these short-term borrowings was to provide resources for utility capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

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C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017 the Borough had \$1,745,000.00 in various Utility bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Borough is as follows:

	Balance December 31, <u>2016</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2017</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 3,055,000.00	\$ -	\$ 400,000.00	\$ 2,655,000.00	\$ 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	5,988,235.00	142,500.00	-	6,130,735.00	-
	-				
	<u>\$ 10,250,485.00</u>	<u>\$ 1,349,750.00</u>	<u>\$ 1,607,250.00</u>	<u>\$ 9,992,985.00</u>	<u>\$ 1,607,250.00</u>
Sewer Utility Capital:					
Bond Anticipation Notes	\$ 332,500.00	\$ 332,500.00	\$ 332,500.00	\$ 332,500.00	\$ 332,500.00
Authorized but not Issued	-	380,000.00	-	380,000.00	-
	-				
	<u>\$ 332,500.00</u>	<u>\$ 712,500.00</u>	<u>\$ 332,500.00</u>	<u>\$ 712,500.00</u>	<u>\$ 332,500.00</u>
Beach Utility Capital:					
Bond Anticipation Notes	\$ 1,600,000.00	\$ 1,555,785.00	\$ 1,600,000.00	\$ 1,555,785.00	\$ 1,555,785.00
Authorized but not Issued	1,745,250.00	-	-	1,745,250.00	-
	-				
	<u>\$ 3,345,250.00</u>	<u>\$ 1,555,785.00</u>	<u>\$ 1,600,000.00</u>	<u>\$ 3,301,035.00</u>	<u>\$ 1,555,785.00</u>

sista11. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

**BOROUGH OF SEA BRIGHT
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<u>Description</u>	Balance December 31, <u>2017</u>	2018 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Special Emergency Authorizations (40A:4-55)	\$ 50,000.00	\$ 50,000.00	\$ -
Community Disaster Loan	692,249.03	-	692,249.03
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 12. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local and regional school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

<u>Local Taxes</u>	Balance, December 31,	
	<u>2017</u>	<u>2016</u>
Total Balance of Local Tax	\$ 140,206.83	\$ 117,614.02
Deferred Taxes	<u>281,911.50</u>	<u>281,911.50</u>
Local Tax Payable	<u>\$ (141,704.67)</u>	<u>\$ (164,297.48)</u>
<u>Regional Tax</u>	Balance, December 31,	
	<u>2017</u>	<u>2016</u>
Total Balance of Regional Tax	\$ 1,201,638.08	\$ 1,281,145.61
Deferred Taxes	<u>910,008.31</u>	<u>910,008.31</u>
Regional Tax Payable	<u>\$ 291,629.77</u>	<u>\$ 371,137.30</u>

Note 13. Deferred Compensation Salary Account

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans

**BOROUGH OF SEA BRIGHT
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must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough’s financial statements.

Note 14. Accrued Sick, Vacation and Compensation Time

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, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$581,204.31 at December 31, 2017.

Note 15. Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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.

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 unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 15,004.40	\$ 15,290.68	\$ 1,792.49
2016	7.47	10,041.58	2,078.77
2015	15,009.20	2,896.32	12,112.88

BOROUGH OF SEA BRIGHT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 16. Contingencies

Grantor Agencies

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, 2017 the Borough estimates that no material liabilities will result from such audits.

Litigation

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2017.

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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, 2017

	Current Fund
Balance, December 31, 2016	\$ 3,744,739.14
Increased By Receipts:	
Miscellaneous Revenue Not Anticipated	473,044.95
Veterans and Senior Citizens	12,750.00
Taxes Receivable	10,146,670.83
Revenue Accounts Receivable	593,935.46
Prepaid Taxes	1,041,944.90
Tax Overpayments	70,323.36
Due to State of NJ	5,707.00
Various Reserves	2,006,927.91
Due from:	
Beach Operating	50,161.75
Sewer Operating	46,293.69
Grants Receivable	2,196,122.32
Reserve for Federal and State Grants - Unappropriated	14,156.38
	16,658,038.55
	20,402,777.69
Decreased By Disbursements:	
2017 Budget Appropriations	5,253,735.22
Appropriation Reserves	139,757.63
Accounts Payable	2,476.41
County Taxes	1,986,958.38
Regional High School Taxes	3,233,761.53
Local School Taxes	799,796.19
Due to State of NJ	5,707.00
Due To:	
General Capital Fund	1,025,991.98
Beach Capital Fund	1,608,728.83
Various Prepaid Expenses	668.00
Tax Overpayments Reimbursed	9,678.06
State Tax Appeals	3,555.00
Various Reserves	54,547.84
Reserve for Federal and State Grants	1,317,405.85
	15,442,767.92
Balance, December 31, 2017	\$ 4,960,009.77

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016	\$	<u>350.00</u>
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**SCHEDULE OF PREPAID EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	-
Increased By:		
Jan. 2018 Oceanport Municipal Court Shared Service Agreement Disbursed		<u>7,040.45</u>
Balance, December 31, 2017	\$	<u>7,040.45</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, 2017**

Balance, December 31, 2016		\$ 660.00
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>
		13,410.00
Decreased By:		
Cash Receipts	<u>12,750.00</u>	
		<u>12,750.00</u>
Balance, December 31, 2017		<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, 2017**

Year	Balance December 31, 2016	2017 Levy	Added Taxes	2016 Collections	2017 Collections	Senior Citizens' and Veterans' Deductions	Transfer to Liens	Refund Overpayment	Cancelled	Balance December 31, 2017
2016	\$ 224,908.09	\$ -	\$ -	\$ -	\$ 223,439.31	\$ -	\$ -	\$ 701.72	\$ 767.06	\$ -
2017	-	10,156,687.05	167,995.75	207,622.55	9,923,231.52	12,750.00	536.91	-	-	180,541.82
	\$ 224,908.09	\$ 10,156,687.05	\$ 167,995.75	\$ 207,622.55	\$ 10,146,670.83	\$ 12,750.00	\$ 536.91	\$ 701.72	\$ 767.06	\$ 180,541.82

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax:
General Property Tax \$ 10,156,687.05
Added and Omitted Taxes 167,995.75

\$ 10,324,682.80

Tax Levy:

Regional High School Tax \$ 3,333,669.00
Local District School Tax 642,974.00
County Tax \$ 1,974,930.78
County Added Taxes 23,422.56

1,998,353.34

Local Taxes for Municipal Purposes
Add: Additional Tax Levied

4,247,268.42
102,418.04

4,349,686.46

\$ 10,324,682.80

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF TAX TITLE LIENS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 10,640.55
Increased By:	
Transfers From Taxes Receivable	536.91
	11,177.46
Decreased By:	
Collections	843.31
Balance, December 31, 2017	\$ 10,334.15

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Accrued in <u>2017</u>	<u>Collections</u>	Balance December 31, <u>2017</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 40,720.00	\$ 40,720.00	\$ -
Other	-	13,240.00	13,240.00	-
Fines and Costs - Municipal Court	4,895.18	150,345.97	138,085.21	17,155.94
Interest and Costs on Taxes	-	53,963.75	53,963.75	-
Interest on Investments	-	15,402.47	15,402.47	-
Cable Television Franchise Fee	-	39,213.11	39,213.11	-
Energy Receipts	-	160,827.00	160,827.00	-
Uniform Construction Code Fees	-	132,508.00	132,508.00	-
	<u>\$ 4,895.18</u>	<u>\$ 606,220.30</u>	<u>\$ 593,959.54</u>	<u>\$ 17,155.94</u>

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF DEFERRED CHARGES
 SPECIAL EMERGENCY AUTHORIZATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Year</u>	<u>Description</u>	<u>Amount</u>	Balance December 31, <u>2016</u>	Raised in 2017 <u>Budget</u>	Balance December 31, <u>2017</u>
<u>N.J.S.A. 40A:4-55:</u>					
2014	Revaluation	250,000.00	\$ 100,000.00	\$ 50,000.00	\$ 50,000.00
			<u>\$ 100,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	December 31, 2016		Balance After Modifications	Paid or Charged	Balance Lapsed
	<u>Reserved</u>	<u>Encumbrances</u>			
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 27,742.79	\$ -	\$ 14,742.79	\$ -	\$ 14,742.79
Other Expenses	8,841.83	10,746.22	24,588.05	22,408.94	2,179.11
Municipal Clerk:					
Salaries and Wages	27,637.50	-	27,637.50	-	27,637.50
Other Expenses	32,670.82	349.82	33,020.64	361.91	32,658.73
Financial Administration (Treasury):					
Salaries and Wages	8,577.81	-	8,577.81	-	8,577.81
Other Expenses	1,535.09	885.11	2,420.20	885.11	1,535.09
Audit Service:					
Other Expenses			-	-	-
Revenue Administration (Tax Collection):					
Salaries and Wages	3,289.48	-	3,289.48	-	3,289.48
Other Expenses	56.94	55.89	112.83	55.89	56.94
Tax Assessment Administration:					
Salaries and Wages	736.40	-	736.40	-	736.40
Other Expenses	4,668.98	-	4,668.98	-	4,668.98
Computerized Data Processing:					
Other Expenses	814.87	-	814.87	-	814.87
Legal Services:					
Other Expenses	1,217.52	-	1,217.52	1,177.92	39.60
Engineering Services:					
Other Expenses	2,302.61	-	10,302.61	3,655.94	6,646.67
LAND USE ADMINISTRATION					
Planning and Zoning Board of Adjustment:					
Salaries and Wages	2,232.99	-	2,232.99	-	2,232.99
Other Expenses	3,323.97	647.50	3,971.47	647.50	3,323.97
INSURANCE					
General Liability	1,310.55	-	1,310.55	634.53	676.02
Workmen's Compensation	1,406.19	-	1,406.19	-	1,406.19
Employee Group Health	749.26	-	749.26	-	749.26
Unemployment			-		-
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	38,563.58	-	38,563.58	-	38,563.58
Other Expenses	1,090.97	47,038.24	48,129.21	42,391.73	5,737.48
Police Dispatch/9-1-1:					
Salaries and Wages	4,838.50	-	4,838.50	-	4,838.50
Other Expenses	7,120.51	2,976.00	10,096.51	3,799.10	6,297.41
Emergency Management Services:					
Salaries and Wages			-	-	-
Other Expenses			-	-	-
Fire:					
Fire Hydrant Rental	2,698.77	-	2,698.77	2,300.00	398.77
Other Expenses	14,593.89	19,108.46	33,702.35	22,823.42	10,878.93
Prosecutor's Office:					
Salaries and Wages	470.32	-	470.32	-	470.32

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	December 31, 2016		Balance After Modifications	Paid or Charged	Balance Lapsed
	<u>Reserved</u>	<u>Encumbrances</u>			
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	3,368.31	-	3,368.31	-	3,368.31
Other Expenses	792.26	24,118.47	24,910.73	24,317.29	593.44
Maintenance of Bulkheads	2,500.00	-	2,500.00	-	2,500.00
Buildings and Grounds:					
Salaries and Wages	2,293.66	-	2,293.66	-	2,293.66
Other Expenses	284.73	8,410.00	8,694.73	8,620.53	74.20
Beautification	1,940.10	-	1,940.10	-	1,940.10
Solid Waste Disposal:					
Other Expenses	3,500.00	10,291.74	13,791.74	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	26.00	-	26.00	-	26.00
Animal Control Services:					
Other Expenses	4,383.11	-	4,383.11	-	4,383.11
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	3,599.30	-	3,599.30	-	3,599.30
Other Expenses	751.80	782.60	1,534.40	971.49	562.91
Celebration of Public Events:					
Other Expenses	1,746.54	-	1,746.54	-	1,746.54
Municipal Court:					
Salaries and Wages	2,575.82	-	2,575.82	-	2,575.82
Other Expenses	429.15	-	429.15	270.28	158.87
Public Defender:					
Salaries and Wages	2,530.85	-	2,530.85	-	2,530.85
UNIFORM CONSTRUCTION CODE					
Construction Code Official:					
Salaries and Wages	11,909.65	-	11,909.65	-	11,909.65
Other Expenses	4,729.07	23.77	4,752.84	2,011.77	2,741.07
Fire Marshall:					
Salaries and Wages	885.44	-	885.44	-	885.44
Other Expenses	500.00	-	500.00	-	500.00
Demolition of Unsafe Structures	5,000.00	-	5,000.00	-	5,000.00
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	4,484.10	-	4,484.10	2,745.34	1,738.76
Street Lighting	5,373.21	-	5,373.21	3,039.22	2,333.99
Telephone	4,852.79	209.98	5,062.77	1,611.55	3,451.22
Water	8,834.94	-	8,834.94	75.41	8,759.53
Natural Gas & Propane	12,536.01	-	12,536.01	943.48	11,592.53
Gasoline	17,651.47	3,142.57	20,794.04	3,142.57	17,651.47

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	December 31, 2016		Balance After Modifications	Paid or Charged	Balance Lapsed
	<u>Reserved</u>	<u>Encumbrances</u>			
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Landfill Disposal Costs	8,064.70	5,778.51	13,843.21	5,778.51	8,064.70
Contingent	1,000.00		1,000.00	-	1,000.00
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	3,446.90	-	3,446.90	-	3,446.90
Unemployment Insurance	18,000.00	-	18,000.00	-	18,000.00
Defined Contribution Retirement Plan	2,000.00	-	2,000.00	-	2,000.00
Aid to Privately Owned Library (NJSA 40:54-35)					
Salaries and Wages	1,688.50	-	1,688.50	-	1,688.50
Other Expenses	14,381.77	710.21	15,091.98	1,240.66	13,851.32
Recycling Tax	1,448.62	230.16	1,678.78	230.16	1,448.62
OPERATIONS EXCLUDED FROM "CAPS":					
CDBG Essential Services Funding - Police S&W	19,500.00	-	19,500.00	-	19,500.00
Aid to Privately Owned Library (NJSA 40:54-35)			-	-	-
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	5,000.00	-	5,000.00	-	5,000.00
Matching Funds for Grants	10,000.00	-	10,000.00	-	10,000.00
Total General Appropriations	<u>\$ 412,000.94</u>	<u>\$ 135,505.25</u>	<u>\$ 547,506.19</u>	<u>\$ 166,431.99</u>	<u>\$ 381,074.20</u>
Cash Disbursements				\$ 139,757.63	
Accounts Payable				<u>26,674.36</u>	
				<u>\$ 166,431.99</u>	

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 98,618.84
Increased By:	
Transfer from 2016 Appropriation Reserves	<u>26,674.36</u>
	125,293.20
Decreased By:	
Cash Disbursements	<u>2,476.41</u>
Balance, December 31, 2017	<u><u>\$ 122,816.79</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 207,622.55
Increased By:	
Cash Receipts:	
Collection of 2018 Taxes	<u>1,041,944.90</u>
	1,249,567.45
Decreased By:	
Amount Applied To 2017 Taxes	<u>207,622.55</u>
Balance, December 31, 2017	<u><u>\$ 1,041,944.90</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 11,547.77
Increased By:		
2017 Tax Levy:		
County Tax	\$ 1,749,541.15	
County Library Tax	122,602.08	
County Open Space Fund Tax	102,787.55	
Due County for Added Taxes	<u>23,422.56</u>	
		<u>1,998,353.34</u>
		2,009,901.11
Decreased By:		
Cash Disbursements		<u>1,986,958.38</u>
Balance, December 31, 2017		<u><u>\$ 22,942.73</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE/RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016:		
School Tax Payable	\$ 371,137.30	
School Tax Deferred	910,008.31	
		\$ 1,281,145.61
Increased By:		
Levy (School Year July 1, 2017 to June 30, 2018)		3,333,669.00
		4,614,814.61
Decreased By:		
Cash Disbursements		3,413,176.53
Balance, December 31, 2017:		
School Tax Payable	291,629.77	
School Tax Deferred	910,008.31	
		\$ 1,201,638.08
 <u>2017 Liability for Regional District School Tax</u>		
Tax Payable, December 31, 2017		\$ 291,629.77
Tax Paid		3,413,176.53
		3,704,806.30
Less:		
Tax Payable, December 31, 2016		371,137.30
Amount Charged To 2017 Operations		\$ 3,333,669.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016:			
School Tax Payable/(Prepaid)	\$	(164,297.48)	
School Tax Deferred		281,911.50	
		281,911.50	\$ 117,614.02
Increased By:			
Levy (School Year July 1, 2017 to June 30, 2018)			642,974.00
			760,588.02
Decreased By:			
Cash Disbursements			620,381.19
Balance, December 31, 2017:			
School Tax Payable/(Prepaid)		(141,704.67)	
School Tax Deferred		281,911.50	
		281,911.50	\$ 140,206.83
 <u>2017 Liability for Local District School Tax</u>			
Tax Payable/(Prepaid), December 31, 2017			\$ (141,704.67)
Tax Paid			620,381.19
			478,676.52
Less:			
Tax Payable/(Prepaid), December 31, 2016			(164,297.48)
Amount Charged To 2017 Operations			\$ 642,974.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	85,435.94
Increased By:			
Overpayments Created			<u>70,323.36</u>
			155,759.30
Decreased By:			
Tax Overpayments Applied	70,562.32		
Cash Disbursements	9,678.06		
Transferred to Prepaid Taxes	<u>4,493.84</u>		
			<u>84,734.22</u>
Balance, December 31, 2017		\$	<u><u>71,025.08</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, 2017**

	Balance December 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2017</u>
Due to State:				
Marriage License	\$ 316.00	\$ 5,707.00	\$ 5,707.00	\$ 316.00
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 316.00	\$ 5,707.00	\$ 5,707.00	\$ 316.00
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**BOROUGH OF SEA BRIGHT
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF VARIOUS RESERVES
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2017</u>
Reserve For:				
Health Insurance	\$ 3,014.19	\$ -	\$ -	\$ 3,014.19
Superstorm Sandy	10,918.50	-	-	10,918.50
Disaster Relief	1,274,071.23	2,006,927.91	2,460,000.00	820,999.14
Revaluation	149,068.33	-	60,670.90	88,397.43
	<u>\$ 1,437,072.25</u>	<u>\$ 2,006,927.91</u>	<u>\$ 2,520,670.90</u>	<u>\$ 923,329.26</u>
			Cash Disbursements \$ 54,547.84	
			Transfer between Reserves 6,123.06	
			Transfer to General Capital 1,010,000.00	
			Transfer to Beach Capital <u>1,450,000.00</u>	
			<u>\$ 2,520,670.90</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, 2017**

	Balance December 31, <u>2016</u>	Increased By Revenue Anticipated <u>2017</u>	Transferred From Grants <u>Unappropriated</u>	Cash <u>Receipts</u>	Balance December 31, <u>2017</u>
Recycling Tonnage Grant	\$ -	\$ 3,247.71	\$ 3,247.71	\$ -	\$ -
Clean Communities Program	3,000.00	5,237.98	5,237.98	3,000.00	-
Alcohol Education and Rehabilitation Fund	-	423.28	423.28	-	-
Body Armor Replacement Fund	-	1,383.80	-	1,383.80	-
Distracted Driving Incentive	-	5,500.00	5,500.00	-	-
CDBG-Disaster Recovery: Zoning Code Enforcement	46,007.24	-	-	-	46,007.24
Drunk Driving Enforcement	-	11,378.72	8,500.98	2,877.07	0.67
NJEDA Streetscape	1,340,160.00	-	-	1,340,160.00	-
NJ DEP Temp Bulk	55,000.00	-	-	-	55,000.00
NJ DEP P1 Bulkhead	933,466.00	-	-	835,791.45	97,674.55
FEMA Hazard Mitigation, 25 Center St.	257,040.00	-	-	-	257,040.00
Post Sandy Planning	44,509.56	-	-	-	44,509.56
Pedestrian Safety	2,410.00	-	-	2,410.00	-
Drive Sober or Get Pulled Over	-	16,000.00	-	10,500.00	5,500.00
Sandy - National Emergency Grant	51,094.55	-	-	-	51,094.55
	<u>\$ 2,732,687.35</u>	<u>\$ 43,171.49</u>	<u>\$ 22,909.95</u>	<u>\$ 2,196,122.32</u>	<u>\$ 556,826.57</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, 2017**

	Balance December 31, <u>2016</u>	Transfer from <u>Appropriations</u>	Transferred From <u>Encumbrances</u>	<u>Expended</u>	Transferred To <u>Encumbrances</u>	Balance December 31, <u>2017</u>
DEP Public Access	\$ 25,360.00	\$ -	\$ -	\$ -	\$ -	\$ 25,360.00
Alcohol Education and Rehabilitation Fund	3,187.63	423.28	-	-	-	3,610.91
Body Armor Fund	8,250.16	1,383.80	-	904.65	-	8,729.31
Improvement Grant	262.79	-	-	-	-	262.79
Comcast Technology	1,461.80	-	-	-	-	1,461.80
Clean Communities Program	8,438.25	5,237.98	-	-	-	13,676.23
Domestic Violence Training Grant	3,826.09	-	-	-	-	3,826.09
NJ Clean Shores	719.35	-	-	-	-	719.35
Recycling Tonnage Grant	8,192.09	3,247.71	-	1,500.00	-	9,939.80
Click it or Ticket Grant	5,000.00	5,500.00	-	-	-	10,500.00
Drive Sober or Get Pulled Over	-	16,000.00	-	10,500.00	-	5,500.00
Drunk Driving Enforcement	2,101.53	11,378.72	-	7,708.06	-	5,772.19
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	18,221.71	-	-	-	-	18,221.71
CDBG-Disaster Recovery: Zoning Code Enforcement	14,391.32	-	-	-	5,067.31	9,324.01
County of Monmouth:						
CDBG - Beach Access Project	99,377.00	-	-	-	-	99,377.00
Pedestrian Safety	8,050.00	-	-	2,910.36	-	5,139.64
Post Sandy Planning	76,030.95	-	9,511.85	41,289.22	4,444.54	39,809.04
NJEDA Streetscape	1,206,478.00	-	24,148.86	1,227,626.56	-	3,000.30
NJ DEP Temp Bulk	1,500.00	-	368.06	-	368.06	1,500.00
NJ DEP P1 Bulkhead	100,293.33	-	11,141.41	24,967.00	6,109.58	80,358.16
Assistance To Firefighters	492.08	-	-	-	-	492.08
Sandy - National Emergency Grant	45,306.17	-	-	-	-	45,306.17
FEMA Hazard Mitigation - 25 Center St.	-	-	0.91	-	0.91	-
	<u>\$ 1,645,526.13</u>	<u>\$ 43,171.49</u>	<u>\$ 45,171.09</u>	<u>\$ 1,317,405.85</u>	<u>\$ 15,990.40</u>	<u>\$ 400,472.46</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, 2017**

	Balance December 31, <u>2016</u>	Cash <u>Receipts</u>	Transferred to Grants <u>Receivable</u>	Balance December 31, <u>2017</u>
Drunk Driving Enforcement	\$ 8,500.98	\$ -	\$ 8,500.98	\$ -
Alcohol Education and Rehabilitation Fund	423.28	-	423.28	-
Recycling Tonnage Grant	3,247.71	6,816.34	3,247.71	6,816.34
Clean Communities	5,237.98	1,450.04	5,237.98	1,450.04
Distracted Driving Incentive	-	5,500.00	5,500.00	-
Pedestrian Safety	-	390.00	-	390.00
	<u>\$ 17,409.95</u>	<u>\$ 14,156.38</u>	<u>\$ 22,909.95</u>	<u>\$ 8,656.38</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 1,024,542.21
Increased By:	
Expenditure Paid by Current Fund	<u>1,317,405.85</u>
	2,341,948.06
Decrease By:	
Cash Receipts Collected in Current Fund	<u>\$ 2,210,278.70</u>
Balance, December 31, 2017	<u><u>\$ 131,669.36</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, 2017**

	Animal Control <u>Fund</u>	Other <u>Trust Funds</u>
Balance, December 31, 2016	\$ 4,937.27	\$ 624,130.99
Increased By Receipts:		
State Registration Fees	125.40	-
Reserve for Animal Control	1,146.00	-
Due to Current Fund	-	163,653.80
Interest on Investments	24.08	-
Various Reserves	-	481,316.50
	<u>1,295.48</u>	<u>644,970.30</u>
	<u>6,232.75</u>	<u>1,269,101.29</u>
Decreased By Disbursements:		
State Registration Fees	124.20	-
Expenditures Under R.S. 4:19-15:11	1,427.02	-
Miscellaneous Disbursements	2,985.00	-
Various Reserves	-	367,084.45
Due to Current Fund	-	235,060.46
	<u>4,536.22</u>	<u>602,144.91</u>
Balance, December 31, 2017	<u>\$ 1,696.53</u>	<u>\$ 666,956.38</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF REGISTRATION FEES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 8.00
Increased By:	
State Registration Fees	<u>125.40</u>
	133.40
Decreased By:	
Cash Disbursements	<u>124.20</u>
Balance, December 31, 2017	<u><u>\$ 9.20</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, 2017**

Balance, December 31, 2016		<u>\$ 710.91</u>
Increased By:		
Dog License Fees Collected		<u>1,146.00</u>
		1,856.91
Decreased By:		
Expenditures Under R.S. 4:19-15:12		<u>1,427.02</u>
Balance, December 31, 2017		<u><u>\$ 429.89</u></u>

License Fees Collected

2015		\$ 752.80	
2016		<u>1,433.00</u>	
		<u><u>\$ 2,185.80</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, 2017**

Balance, December 31, 2016	\$	4,218.36
Increased By:		
Interest on Investments		24.08
		4,242.44
Decreased By:		
Transferred to Current Fund		2,985.00
		1,257.44
Balance, December 31, 2017	\$	1,257.44

**SCHEDULE OF DUE FROM GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016 and 2017	\$	31,294.00
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**SCHEDULE OF DUE FROM BEACH CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016 and 2017	\$	16,000.00
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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, 2017**

Balance, December 31, 2016 and 2017

\$ 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, 2017**

	Balance December 31, <u>2016</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2017</u>
Public Defender	\$ 1,130.50	\$ 2,630.50	\$ 1,400.00	\$ 2,361.00
Division of Fire Safety Penalty	1,374.00	-	-	1,374.00
Parking Offense Adjudication Act (Per N.J.S.A. 40A:4-39)	1,603.33	362.00	-	1,965.33
Cash Performance Bonds	25,817.98	-	-	25,817.98
Recreation	22,656.15	4,469.30	5,780.56	21,344.89
Public Library	64,110.25	8,101.80	305.00	71,907.05
Insurance Refunds	552.08	1,576.00	2,128.08	-
Escrow for Police Employment	15,806.30	138,326.10	148,316.10	5,816.30
Police Donations	533.80	150.00	-	683.80
Beach Donations	1,288.75	3,221.92	-	4,510.67
Mayor's Ceremony Donations	600.00	300.00	600.00	300.00
Beautification Fund	94,291.29	523.97	4,267.03	90,548.23
Public Relations	4,872.26	4,090.00	271.00	8,691.26
4th of July Celebration	200.00	-	-	200.00
Sandy Acceptance of Bequests	15,658.54	-	-	15,658.54
Unemployment Trust	2,078.77	15,004.40	15,290.68	1,792.49
Law Enforcement Trust	1,960.34	722.73	720.00	1,963.07
Tax Sale Premiums	197,403.22	146,987.95	85,726.29	258,664.88
Developers Escrow	196,081.16	154,849.83	102,279.71	248,651.28
Escrow	4,639.68	-	-	4,639.68
	<u>\$ 652,658.40</u>	<u>\$ 481,316.50</u>	<u>\$ 367,084.45</u>	<u>\$ 766,890.45</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, 2017**

Balance, December 31, 2016	\$ 7,522.67
Increased By:	
Payroll Deductions	<u>48,127.79</u>
Balance, December 31, 2017	<u><u>\$ 55,650.46</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
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 69,995.36

**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, 2017**

	Balance December 31, <u>2017</u>
Grants Receivable	\$ (5,384,650.00)
Due from Home Owner	(24,104.00)
Due to Trust Other	31,294.00
Due from Current Fund	(49,822.23)
Due to Beach Capital Fund	626,592.35
Capital Improvement Fund	80,655.87
Encumbrances Payable	425,227.89
Various Reserves	274,328.72
Fund Balance	32,913.68

<u>Year</u>	<u>Improvement Description</u>	
2000	Various General Improvements	4,648.63
2005	Sand Replenishment	544,331.93
2007	DIIIP	7,773.37
2007	MCIA - Equipment	47.83
2007	DIIIP	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	(273,981.55)
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	59,925.33
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	3,188,556.50
17-14	Acquisition of Various Equipment	(140,643.85)
		\$ 69,995.36
		\$ 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, 2017**

Balance, December 31, 2016	\$ 6,394,650.00
Decreased By:	
Cash Receipts in Current Fund	1,010,000.00
Balance, December 31, 2017	\$ 5,384,650.00
 <u>Analysis of Balance - December 31, 2017</u>	
NJ DOT	\$ 3,750.00
FEMA - 8 Center Street	216,936.00
FEMA - Hazardous Mitigation Grant (ORD 10-2012)	1,373,964.00
Insurance Proceeds (ORD 15-2016)	40,000.00
Insurance Proceeds (ORD 16-2016)	3,750,000.00
	\$ 5,384,650.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM HOME OWNER
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 24,104.00

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM/(TO) CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	-
Increased By:			
Premium on Sale of Notes	22,999.83		
FEMA Proceeds	1,010,000.00		
Capital Improvement Fund	<u>50,000.00</u>		
			<u>1,082,999.83</u>
Decreased By:			
Improvement Authorizations	<u>1,033,177.60</u>		
			<u>1,033,177.60</u>
Balance, December 31, 2017		\$	<u><u>49,822.23</u></u>

**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, 2017**

Balance, December 31, 2016		\$ 3,156,100.00
Decreased By:		
Serial Bonds Paid	\$ 400,000.00	
Capital Lease Paid	<u>101,100.00</u>	
		<u>501,100.00</u>
Balance, December 31, 2017		<u><u>\$ 2,655,000.00</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, 2017**

Ordinance No.	Improvement Description	Analysis of Balance					
		Balance December 31, 2016	2017 Authorizations	Balance December 31, 2017	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	-	300,370.04	1,197.36
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	-	-
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	-	-
15-16	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	-	705,013.50	3,237,486.50
17-14	Acquisition of Various Equipment	-	142,500.00	142,500.00	-	140,643.85	1,856.15
		<u>\$ 7,195,485.00</u>	<u>\$ 142,500.00</u>	<u>\$ 7,337,985.00</u>	<u>\$ 1,207,250.00</u>	<u>\$ 2,528,971.61</u>	<u>\$ 3,601,763.39</u>

Improvement Authorizations Unfunded Per Exh. C-12	\$ 4,109,555.75
Less: Unexpended proceeds of BANs Issued	
Ordinance 21-13	439,690.74
Ordinance 11-15	59,925.33
Ordinance 14-15	8,176.29
	<u>\$ 3,601,763.39</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017	Interest Rate	Balance December 31, 2016	Change		Balance December 31, 2017
						Increased	Decreased	
General Improvements	01/15/99	\$ 3,180,000.00	01/15/18 01/15/19	4.75% 4.75%	\$ 615,000.00	\$ -	\$ 195,000.00	\$ 420,000.00
General Improvements	12/01/07	2,087,000.00			115,000.00	-	115,000.00	-
Various General Improvements	12/19/12	1,630,000.00	12/01/18 12/01/19 12/01/20 12/01/21 12/01/22 12/01/23 12/01/24 12/01/25 12/01/26 12/01/27 12/01/28	3.00% 3.00% 4.00% 4.00% 4.00% 4.00% 2.00% 3.00% 2.00% 2.00% 2.25%	1,290,000.00	-	90,000.00	1,200,000.00
Refunding Bond Issue	03/24/16	1,045,000.00	12/01/18 12/01/19 12/01/20 12/01/21 12/01/22 12/01/23 12/01/24 12/01/25	4.00% 4.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00%	1,035,000.00	-	-	1,035,000.00
					\$ 3,055,000.00	\$ -	\$ 400,000.00	\$ 2,655,000.00

**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, 2017**

Balance, December 31, 2016 and 2017

\$ 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, 2017**

<u>Description</u>	<u>Maturity</u>		<u>Interest Rate</u>	Balance December 31, <u>2016</u>	Lease <u>Paid</u>	Balance December 31, <u>2017</u>
Purchase of Various Equipment	09/01/17	101,100.00	5.00%	\$ 101,100.00	\$ 101,100.00	\$ -
				<u>\$ 101,100.00</u>	<u>\$ 101,100.00</u>	<u>\$ -</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2016		Transferred From Encumbrances	2017 Authorizations		Transferred To Encumbrances	Balance December 31, 2017		
				Funded	Unfunded		Capital Improvement Fund	Deferred Charges To Future Taxation Unfunded		Expended	Funded	Unfunded
08-00	Various General Improvements	06/06/00	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20-05 / 12-10	Sand Replenishment	05/18/10	910,000.00	544,331.93	-	-	-	-	-	516,745.98	27,585.95	
07-07	Roads and Bulkheading	04/17/07	340,000.00	39,736.94	-	-	-	39,736.94	-	-	-	
08-07	DHP	04/17/07	950,000.00	7,773.37	-	-	-	-	-	7,773.37	-	
12-07	MCLA Equipment	07/03/07	860,000.00	47.83	-	-	-	-	-	47.83	-	
20-07	DHP	10/02/07	650,000.00	139,457.18	-	21,226.97	-	-	21,226.97	139,457.18	-	
05-10	Various General Improvements to Normandie Place & Beachway Areas	03/16/10	340,000.00	1,311.98	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	26,388.49	301,567.40	2,473.88	-	300,370.04	2,473.88	26,388.49	1,197.36	
21-13	Various Improvements - Municipal Facilities	11/05/13	600,000.00	-	439,690.74	29,105.37	-	-	29,105.37	-	439,690.74	
11-15	Various General Improvements	08/04/15	380,000.00	-	66,755.00	169,571.80	-	-	133,072.78	-	59,925.33	
14-15	Acquisition of Various Capital Equipment	10/20/15	175,000.00	-	8,176.29	-	-	-	-	-	8,176.29	
15-16	Construction of Community Center	06/01/16	1,400,000.00	1,056,500.00	332,500.00	-	-	-	-	1,056,500.00	332,500.00	
16-16	Construction of Municipal Complex	06/01/16	7,900,000.00	3,893,570.00	3,942,500.00	-	-	558,447.84	146,565.66	3,188,556.50	3,942,500.00	
17-14	Acquisition of Various Equipment	09/05/17	150,000.00	-	-	-	7,500.00	-	148,143.85	(0.00)	1,856.15	
				\$ 6,120,025.27	\$ 5,119,912.81	\$ 256,761.49	\$ 7,500.00	\$ 1,033,177.60	\$ 425,227.89	\$ 5,346,138.88	\$ 4,842,155.20	

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 38,155.87
Increased By:	
2017 Budget Appropriation	<u>50,000.00</u>
	88,155.87
Decreased By:	
Improvement Authorizations Funded	<u>7,500.00</u>
Balance, December 31, 2017	<u><u>\$ 80,655.87</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, 2017**

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance	
						December 31, 2016	December 31, 2017
						Increased	Decreased
18-13	Various Improvements	12/14/15	12/11/17	12/7/18	2.50%	\$ 300,000.00	\$ 300,000.00
21-13	Improvements to Municipal Facilities	12/14/15	12/11/17	12/7/18	2.50%	570,000.00	570,000.00
11-15	Various Improvements	12/14/15	12/11/17	12/7/18	2.50%	171,000.00	171,000.00
14-15	Acquisition of Capital Equipment	12/14/15	12/11/17	12/7/18	2.50%	166,250.00	166,250.00
						<u>\$ 1,207,250.00</u>	<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, 2017**

	Balance December 31, <u>2016</u>	<u>Increase</u>	Balance December 31, <u>2017</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
Reserve for FEMA Proceeds	-	1,010,000.00	1,010,000.00
	<u>\$ 274,328.72</u>	<u>\$ 1,010,000.00</u>	<u>\$ 1,284,328.72</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, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Authorizations</u>	<u>Balance December 31, 2017</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
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
17-14	Acquisition of Various Equipment	-	142,500.00	142,500.00
		<u>\$ 5,988,235.00</u>	<u>\$ 142,500.00</u>	<u>\$ 6,130,735.00</u>

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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, 2017**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2016	\$ 663,382.14	\$ 157,913.82
Increased By Receipts:		
Miscellaneous Revenue	27,241.83	-
Sewer Utility Rents	672,225.81	-
Due to Current Fund	754,034.21	-
Overpayments	6,572.00	-
	<u>1,460,073.85</u>	<u>-</u>
	2,123,455.99	157,913.82
Decreased By Disbursements:		
Budget Appropriations	661,811.64	-
Appropriation Reserves	91,676.51	-
Overpayments	486.06	-
Due to Current Fund	800,327.90	-
	<u>1,554,302.11</u>	<u>-</u>
Balance, December 31, 2017	<u><u>\$ 569,153.88</u></u>	<u><u>\$ 157,913.82</u></u>

**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, 2017**

	Balance December 31, <u>2017</u>
Due from Sewer Operating Fund	\$ (30,000.00)
Encumbrances Payable	46,495.14
Due from Current Fund	(22,575.36)
Capital Improvement Fund	138,452.00
Reserve to Pay Bonds	3,455.58

<u>Date</u>	<u>Improvement Description</u>	
11-05	Sanitary Sewer Rehabilitation	2,086.46
15-17	Sanitary Sewer Improvements	<u>20,000.00</u>
		<u>\$ 157,913.82</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 116,082.92
Increased By:		
Sewer Rents Levied		<u>641,099.92</u>
		757,182.84
Decreased By:		
Collections	\$ 672,225.81	
Overpayments Applied	<u>6,891.80</u>	
		<u>679,117.61</u>
Balance, December 31, 2017		<u><u>\$ 78,065.23</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, 2017**

	Balance December 31, <u>2017 & 2016</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, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2016</u>	2017 <u>Authorizations</u>	Balance December 31, <u>2017</u>
11-05	Sanitary Sewer Rehabilitation	\$ 276,000.00	\$ -	\$ 276,000.00
14-01	Sanitary Sewer Improvements	350,000.00	-	350,000.00
17-15	Sanitary Sewer Improvements	-	400,000.00	400,000.00
		<u>\$ 626,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 1,026,000.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 4,017.37	\$ 4,017.37	\$ -	\$ 4,017.37
Other Expenses	3,180.36	8,470.36	8,209.51	260.85
Two Rivers Water Reclamation Authority	191,496.00	191,496.00	83,467.00	108,029.00
Capital Improvements:				
Capital Outlay	5,000.00	5,000.00	-	5,000.00
Statutory Expenditures:				
Contribution To Social Security System (O.A.S.I.)	5,758.18	5,758.18	-	5,758.18
	<u>\$ 209,451.91</u>	<u>\$ 214,741.91</u>	<u>\$ 91,676.51</u>	<u>\$ 123,065.40</u>

<u>Detail:</u>	
Appropriation Reserves	209,451.91
Encumbrances	<u>5,290.00</u>
Balance After Transfers	<u>\$ 214,741.91</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, 2017**

Balance, December 31, 2016		\$ 9,868.70
Increased By:		
2017 Sewer Rent Overpayments		<u>6,572.00</u>
		16,440.70
Decreased By:		
Refunded	486.06	
Applied to Consumer Accounts Receivable	<u>6,891.80</u>	
		<u>7,377.86</u>
Balance, December 31, 2017		<u><u>\$ 9,062.84</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, 2017**

Balance, December 31, 2016	\$ 300.00
Increased By:	
Interest Accrued	<u>500.00</u>
	800.00
Decreased By:	
Interest Paid	<u>300.00</u>
Balance, December 31, 2017	<u><u>\$ 500.00</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, 2017**

Ordinance Number	Description	Amount	Balance December 31, 2016		2017 Authorizations		Paid or Charged	Transferred From Encumbrances	Transferred To Encumbrances	Balance December 31, 2017	
			Funded	Unfunded	Capital Improvement Fund	Bonds and Notes Authorized				Funded	Unfunded
05-11	Sanitary Sewer Rehabilitation	\$ 264,000.00	\$ 2,086.46	\$ -	\$ -	\$ -	\$ 12.75	\$ -	\$ 12.75	\$ 2,086.46	\$ -
14-01	Sanitary Sewer Improvements	350,000.00	-	-	-	-	46,482.39	-	46,482.39	-	-
17-15	Sanitary Sewer Improvements	400,000.00	-	-	20,000.00	380,000.00	-	-	-	20,000.00	380,000.00
			\$ 2,086.46	\$ -	\$ 20,000.00	\$ 380,000.00	\$ 46,495.14	\$ -	\$ 46,495.14	\$ 22,086.46	\$ 380,000.00

**BOROUGH OF SEA BRIGHT
 COUNTY OF OCEAN, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance	
						December 31, 2016	December 31, 2017
14-01	Sewer Utility Improvements	12/14/15	12/14/17	12/13/18	1.47%	\$ 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, 2017**

Balance, December 31, 2016	\$ 148,452.00
Increased By:	
2017 Budget Appropriation due from Sewer Operating	<u>10,000.00</u>
	158,452.00
Decreased By:	
Improvement Authorization 15-2017	<u>20,000.00</u>
Balance, December 31, 2017	<u><u>\$ 138,452.00</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, 2017**

Balance December 31, 2017 & 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, 2017**

Balance, December 31, 2016	\$ 293,500.00
Increased By:	
Improvement Authorization 15-2017 Down Payment	<u>20,000.00</u>
Balance, December 31, 2017	<u><u>\$ 313,500.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2016</u>	2017 <u>Authorizations</u>	Balance December 31, <u>2017</u>
15-2017	Various Improvements	\$ -	\$ 380,000.00	\$ 380,000.00
		<u>\$ -</u>	<u>\$ 380,000.00</u>	<u>\$ 380,000.00</u>

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, 2017**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2016	\$ 972,817.57	\$ 75,000.00
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 42,387.55	\$ -
Beach Funds Ordinance	536,347.00	-
Prepaid Badge Fees	121,490.00	-
Change Fund	6,550.00	-
Due Beach Utility Operating Fund	-	400,000.00
Due Current Fund	477,079.32	-
Capital Improvement Fund	-	-
	<u>1,183,853.87</u>	<u>400,000.00</u>
	2,156,671.44	475,000.00
Decreased By Disbursements:		
Budget Appropriations	466,386.54	-
Appropriation Reserves	3,792.78	-
Due to Current Fund	527,241.07	400,000.00
Due to Beach Utility Capital Fund	400,000.00	-
Accounts Payable	900.00	-
Change Fund	6,550.00	-
	<u>1,404,870.39</u>	<u>400,000.00</u>
Balance, December 31, 2017	<u><u>\$ 751,801.05</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, 2017**

Balance at December 31, 2016	\$ 140.00
Increase By:	
Cash Disbursement	<u>6,550.00</u>
	6,690.00
Decreased By:	
Cash Receipts	<u>6,550.00</u>
Balance, December 31, 2017	<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, 2017

	Balance December 31, <u>2017</u>
Community Development Grant Receivable	\$ (37.97)
Encumbrances Payable	150,216.87
Due from General Capital	(626,592.35)
Due to Beach Utility Operating	500,772.56
Due From Current Fund	74,867.00
Due to Trust-Other Fund	16,000.00
Reserve for Debt	13,002.45
Beach Clubs Settlement Receivable	(400,000.00)
Insurance Receivable	(185,000.00)
Capital Improvement Fund	250,235.96
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	3,355.58
02-14	Various Improvements	37,605.47
17-16	Construction of Beach Utility Building	128,144.77
		\$ 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, 2017**

Balance, December 31, 2016 and 2017

\$ 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, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount</u>	<u>Balance December 31, 2016 & 2017</u>
04-18	Acquisition of Equipment and Improvements to Beach Facilities	\$ 200,000.00	\$ 200,000.00
04-19	ADA Access Improvements	125,000.00	125,000.00
12-12	Sand Replenishment	1,200,000.00	1,200,000.00
13-19	Various Improvements	600,000.00	600,000.00
14-02	Various Improvements	200,000.00	200,000.00
16-17	Construction of Building	3,600,000.00	<u>3,600,000.00</u>
			<u><u>\$ 5,925,000.00</u></u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 1,990.95	\$ 1,990.95	\$ -	\$ 1,990.95
Other Expenses	8,902.20	12,772.86	4,104.78	8,668.08
Dune Maintenance	21,585.00	22,325.08	740.08	21,585.00
Junior Lifeguard Program	5,419.05	5,419.05	-	5,419.05
Capital Improvements:				
Capital Outlay	39,215.01	50,000.00	-	50,000.00
Statutory Expenditures:				
Contributions To:				
Public Employees' Retirement System	-	-	-	-
Social Security System (O.A.S.I.)	7,443.05	7,443.05	-	7,443.05
	<hr/>	<hr/>	<hr/>	<hr/>
Total Beach Utility Appropriations	\$ 84,555.26	\$ 99,950.99	\$ 4,844.86	\$ 95,106.13
		<hr/> <hr/>		
Appropriation Reserves		\$ 84,555.26		
Encumbrances Payable		<u>15,395.73</u>		
		<hr/> <hr/>		
		\$ 99,950.99		
		<hr/> <hr/>		
Cash Disbursements			\$ 3,792.78	
Accounts Payable			<u>1,052.08</u>	
			<hr/> <hr/>	
			\$ 4,844.86	
			<hr/> <hr/>	

**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, 2017**

Balance, December 31, 2016	\$ 1,450.00
Increased By:	
Interest Accrued	<u>2,200.00</u>
	3,650.00
Decreased By:	
Interest Paid	<u>1,450.00</u>
Balance, December 31, 2017	<u><u>\$ 2,200.00</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, 2017**

Balance, December 31, 2016	\$ 28,930.00
Increased By:	
Cash Receipts	<u>121,490.00</u>
	150,420.00
Decreased By:	
Prepaid Applied	<u>28,930.00</u>
Balance, December 31, 2017	<u><u>\$ 121,490.00</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, 2017**

<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</u>	
						<u>December 31, 2016</u>	<u>December 31, 2017</u>
12-12	Sand Replenishment	12/21/12	12/11/17	12/07/18	2.50%	\$ 840,000.00	\$ 795,785.00
19-13	Beach Utility Improvements	12/21/13	12/11/17	12/07/18	2.50%	570,000.00	570,000.00
2-14	Sand Replenishment	12/21/14	12/11/17	12/07/18	2.50%	190,000.00	190,000.00
						<u>\$ 1,600,000.00</u>	<u>\$ 1,555,785.00</u>
						<u>\$ 1,600,000.00</u>	<u>\$ 1,555,785.00</u>

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Description	Date	Amount	Balance December 31, 2016		Transferred From Encumbrances	Paid or Charged	Transferred To Encumbrances	Balance December 31, 2017	
				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	115,847.20	5,850.00	115,847.20	-	3,355.58
02-14	Various Improvements	2/18/14	200,000.00	-	100,622.77	-	43,017.30	20,000.00	-	37,605.47
16-17	Construction of Beach Utility Building	6/1/16	3,600,000.00	2,035,660.97	1,486,750.00	22,500.00	1,915,646.53	14,369.67	128,144.77	1,486,750.00
				\$ 2,048,919.97	\$ 1,954,200.25	\$ 138,347.20	\$ 1,964,513.83	\$ 150,216.87	\$ 141,403.77	\$ 1,885,332.95

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016 and 2017

\$ 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, 2017**

Balance, December 31, 2015	\$ 2,569,250.00
Increased By:	
Note Paydown	<u>44,215.00</u>
Balance, December 31, 2017	<u><u>\$ 2,613,465.00</u></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, 2017**

Balance, December 31, 2016	\$ 150,235.96
Increased By:	
2017 Budget Appropriation	<u>100,000.00</u>
	250,235.96
Decreased By:	
Improvement Authorization Down Payment	<u>-</u>
Balance, December 31, 2017	<u><u>\$ 250,235.96</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, 2017**

Balance, December 31, 2016	\$ 1,008.95
Increased By:	
Payables Created from Appropriation Reserves	<u>1,052.08</u>
	2,061.03
Decreased By:	
Cash Disbursed	<u>900.00</u>
Balance, December 31, 2017	<u><u>\$ 1,161.03</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, 2017**

Balance, December 31, 2016 and 2017

\$ 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, 2017**

Balance at December 31, 2016	\$ 200,772.56
Increased By:	
Received from Beach Operating	<u>\$ 400,000.00</u>
	600,772.56
Decreased By:	
Budgeted Disbursement	<u>100,000.00</u>
Balance, December 31, 2017	<u><u>\$ 500,772.56</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, 2017**

Balance, December 31, 2016 and 2017

\$ 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, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2016 & 2017</u>
90-98	Acquisition of Beach Equipment and Improvements to Facilities	\$ 18,500.00
12-12	Sand Replenishment	240,000.00
17-16	Construction of Beach Utility Building	<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, 2017**

	Balance December 31, <u>2016</u>	<u>Additions</u>	Balance December 31, <u>2017</u>
Land	\$ 9,503,700.00	\$ -	\$ 9,503,700.00
Building	1,096,300.00	-	1,096,300.00
Machinery, Equipment & Vehicles	3,195,769.07	168,143.85	3,363,912.92
	<u>\$ 13,795,769.07</u>	<u>\$ 168,143.85</u>	<u>\$ 13,963,912.92</u>

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BOROUGH OF SEA BRIGHT

PART II

SINGLE AUDIT SECTION

FOR THE YEAR ENDED DECEMBER 31, 2017

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Sea Bright's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal and state programs for the year ended December 31, 2017. The Borough's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Sea Bright complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the Borough of Sea Bright is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Freehold, New Jersey
June 27, 2018

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**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Department/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Entity ID Number</u>	<u>Program Expenditures</u>	<u>Passed To Sub-Recipients</u>
<u>United States Department of Homeland Security</u>				
FEMA Public Assistance Grants:				
Superstorm Sandy	97.036	100-066-1200-A92	\$ 1,455,442.58	\$ -
Severe Repetitive Loss	97.010	N/A	69,442.68	-
Total Department of Homeland Security			1,524,885.26	-
<u>United States Department of Transportation</u>				
Highway Safety Cluster				
Passed Through New Jersey Division of Highway Traffic Safety: Highway Traffic Safety Grant - Drive Sober or Get Pulled Over	20.616	100-066-1160-157	10,500.00	-
Total Department of Labor/Highway Safety Cluster			10,500.00	-
<u>United States Department of Housing and Urban Development</u>				
CDBG Entitlement Grants Cluster				
Community Development Block Grants/ Entitlement Grants: Post Sandy Planning Grant	14.218	022-8022-100-001	41,289.22	-
Total Department of Housing & Urban Development/CDBG - Entitlement Grants Cluster			41,289.22	-
Total Expenditures of Federal Awards			\$ 1,576,674.48	\$ -

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

**BOROUGH OF SEA BRIGHT
COUNTY OF MONMOUTH, NEW JERSEY
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>State Grantor/Program Title</u>	<u>State Account Number</u>	<u>Grant Period</u>	<u>From</u>	<u>To</u>	<u>Program Expenditures</u>	<u>Passed to Sub Recipients</u>	<u>Accumulated Expenditures</u>
<u>Department of Law and Public Safety</u>							
Pedestrian Safety Grant	N/A	12/31/2017	1/1/2017	12/31/2017	\$ 2,910.36	-	\$ 2,910.36
Drunk Driving Enforcement Grant	6400-100-078-6400-2017	12/31/2017	1/1/2017	12/31/2017	7,708.06	-	7,708.06
Body Armor Replacement Fund	718-066-1020-001	12/31/2017	1/1/2017	12/31/2017	904.65	-	904.65
					<u>11,523.07</u>	<u>-</u>	<u>11,523.07</u>
<u>Department of Environmental Protection</u>							
Phase I Bulkhead Grant	N/A	ongoing	1/1/2017	ongoing	860,758.45	-	860,758.45
Recycling Tonnage Grant	100-042-4910-224	12/31/2017	1/1/2017	12/31/2017	1,500.00	-	1,500.00
					<u>862,258.45</u>	<u>-</u>	<u>862,258.45</u>
<u>Economic Development Authority</u>							
Streetscape Grant	N/A	ongoing	1/1/2017	ongoing	1,227,626.56	-	1,227,626.56
					<u>1,227,626.56</u>	<u>-</u>	<u>1,227,626.56</u>
					<u>\$ 2,101,408.08</u>	<u>\$ -</u>	<u>\$ 2,101,408.08</u>

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

BOROUGH OF SEA BRIGHT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Borough of Sea Bright. The Borough is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of federal awards and state financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

The amounts shown as current year expenditures represent only the federal or state grant portion of the program costs. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and State of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Borough did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Note 3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Expenditures from awards are reported in the Borough's financial statements as follows:

BOROUGH OF SEA BRIGHT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 4. Relationship to Federal and State Financial Reports

The regulations and guidelines governing the preparation of federal and state financial reports vary by federal and state agency and among programs administered by the same agencies. Accordingly, the amounts reported in the federal and state financial reports do not necessarily agree with the amounts reported in the accompanying Schedules, which is prepared on the modified accrual basis of accounting as explained in Note 2.

Note 5. Federal and State Loans Outstanding

The Borough had no loan balances outstanding at December 31, 2017.

Note 6. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Borough's grant program for economy, efficiency and program results. However, the Borough administration does not believe such audits would result in material amounts of disallowed costs.

Note 7. Major Programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**BOROUGH OF SEA BRIGHT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Adverse - GAAP <u>Unmodified - Regulatory</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

Internal control over major programs	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ yes <u> X </u> no
Identification of major programs:	

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	100-066-1200-A92	Federal Emergency Management Agency
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs	<u>\$750,000.00</u>
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

**BOROUGH OF SEA BRIGHT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? _____ yes X no

Internal control over major programs

 1) Material weakness(es) identified? _____ yes X no

 2) Significant deficiency(ies) identified? _____ yes X no

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? _____ yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

N/A	NJ Economic Development Authority (EDA) Streetscape Grant
N/A	NJ Department of Environmental Protection (DEP) Bulkhead Grant

**BOROUGH OF SEA BRIGHT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding 2017-01

Criteria of Specific Requirement:

N.J.A.C. 5:30-5.6 requires that municipalities maintain a fixed asset accounting system that shall include assets descriptions, estimated or historical costs and other such information as shall be required by the governing body and updated each year with any additions or deletions. Proper internal control practices also dictate that complete and accurate records should be maintained to ensure adequate control over the preparation of the financial statements including related footnotes.

Condition:

The Borough did not maintain a fixed asset accounting system in accordance with N.J.A.C. 5:30:5.6.

Cause:

Internal control policies and procedures are not in place to properly maintain the fixed asset accounting system.

Effect or Potential Effect:

Non-compliance with N.J.A.C. 5:30-5.6.

Recommendation:

That internal control policies and procedures should be developed to properly maintain the general fixed assets accounting system in accordance with N.J.A.C. 5:30-5.6.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

RECOMMENDATIONS:

Finding 2017-01

That the Borough develop internal control policies and procedures to properly maintain the general fixed assets accounting system in accordance with N.J.A.C. 5:30-5.6.

**BOROUGH OF SEA BRIGHT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None

**BOROUGH OF SEA BRIGHT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

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BOROUGH OF SEA BRIGHT

PART III

LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2017

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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www.hfacpas.com

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

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 ended December 31, 2017.

GENERAL COMMENTS:

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

N.J.S.A.40A:11-4 states 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 the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500 for the year ended December 31, 2017.

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.

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" 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:11-6*.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017:

<u>Name</u>	<u>Title</u>
Dina Long	Mayor
Kevin Birdsall	Councilmember
William J. Keeler	Councilmember
Brian P. Kelly	Councilmember
Charles Rooney	Councilmember
Marc Leckstein	Councilmember
John Lamia	Councilmember
Michael J. Bascom	Chief Financial Officer
Christine Pfeiffer	Borough Clerk
Patricia Spahr	Tax Collector

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 7, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Council of the Borough of Sea Bright, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Council of the Borough of Sea Bright, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

Finding 2017-01

The Borough did not maintain a fixed asset general ledger in accordance with N.J.A.C. 5:30-5.6.

RECOMMENDATIONS:

Finding 2017-01

That the Borough develop internal control policies and procedures to properly maintain the general fixed assets accounting system in accordance with N.J.A.C. 5:30-5.6.

Appreciation

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
RMA No. 483

Freehold, New Jersey
June 27, 2018