

Report of Audit

on the

Financial Statements
and Supplementary Schedules

of the

Borough of Beachwood

in the

County of Ocean
New Jersey

for the

Year Ended
December 31, 2014

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

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BOROUGH OF BEACHWOOD

PART I

INDEPENDENT AUDITOR'S REPORT ON
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YEAR ENDED DECEMBER 31, 2014



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Beachwood
County of Ocean
Beachwood, New Jersey 08722

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account groups of the Borough of Beachwood, as of December 31, 2014 and 2013, the related statements of operations and changes in fund balances - regulatory basis for the years then ended and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's regulatory 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 the regulatory basis of accounting 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 misstatements, whether due to fraud or error.

SUPLEE, CLOONEY & COMPANY

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the regulatory financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the 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 various individual funds and account groups of the Borough of Beachwood as of December 31, 2014 and 2013 or the results of its operations and changes in fund balances for the year then ended or the revenues or expenditures for the year ended December 31, 2014.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial activities of the Length of Service Award Program (LOSAP) are presented in the financial statements of the Borough's Trust Fund. These financial statements of the LOSAP have not been audited and were not required to be in accordance with the regulations of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The Borough has omitted disclosures required by Governmental Accounting Standards Board Statement #45, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The amount by which this disclosure would affect the financial position of the Borough is not reasonably determinable.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, that might have been necessary had the LOSAP Fund Financial Statements been audited and the omission of the information on Postemployment Benefits, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account groups as of December 31, 2014 and 2013, the regulatory basis statements of operations and changes in fund balances for the years then ended, and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting 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 of Beachwood's regulatory financial statements. The supplementary information and data and the schedule expenditures of federal awards and state financial assistance as listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information listed above and also listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents, are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

SUPLEE, CLOONEY & COMPANY

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015 on our consideration of the Borough of Beachwood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Beachwood's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 30, 2015

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CURRENT FUND

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 1 of 2

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	A-4	\$ 5,553,982.04	\$ 5,509,638.54
Cash - Change Fund		500.00	500.00
Cash - Petty Cash		600.00	600.00
Due from State of New Jersey Chapter 20, P.L. 1971	A-6		1,802.98
		<u>5,555,082.04</u>	<u>5,512,541.52</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	489,338.54	484,307.10
Tax Title Liens Receivable	A-8	53,999.29	47,492.73
Property Acquired for Taxes		285,731.00	285,731.00
Revenue Accounts Receivable	A-9	6,914.02	11,399.80
Interfunds:			
Animal Control Trust Fund	A-13	83.40	81.40
General Capital Fund	A-13	37,948.11	
Payroll Fund	A-13	220,139.98	2,780.97
		<u>1,094,154.34</u>	<u>831,793.00</u>
		<u>6,649,236.38</u>	<u>6,344,334.52</u>
<u>Grant Fund</u>			
Interfund - Current Fund	A-14	72,041.39	52,188.09
Grants Receivable	A-15	27,645.00	27,395.33
		<u>99,686.39</u>	<u>79,583.42</u>
		<u>\$ 6,748,922.77</u>	<u>\$ 6,423,917.94</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**BALANCE SHEET - CURRENT FUND****Exhibit A****REGULATORY BASIS****Sheet 2 of 2****DECEMBER 31, 2014 AND 2013**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3,10	\$ 877,494.64	\$ 1,159,915.85
Reserve for Encumbrances	A-3,10	289,777.19	249,152.14
Accounts Payable	A-4,10	295,314.00	308,864.00
Tax Overpayments	A-4,5	61,742.25	
Prepaid Taxes	A-5,7	164,345.25	207,648.65
Due State of New Jersey:			
Construction Fees	A-1,4	6,608.20	1,426.99
Marriage License Fees	A-4	275.00	400.00
Chapter 20, P.L. 1971	A-6	422.60	
Reserve for:			
Proceeds from Sale of Municipal Assets	A-1	61,780.00	28,830.00
Tax Appeals		275,000.00	275,000.00
County Taxes Payable	A-11	6,922.29	5,311.11
Regional District School Tax Payable	A-12	1,552,634.46	1,504,841.27
Interfunds:			
Other Trust Fund	A-13	22,220.28	22,220.28
General Capital Fund	A-13		120,000.00
Grant Fund	A-14	72,041.39	52,188.09
		<u>3,686,577.55</u>	<u>3,935,798.38</u>
Reserve for Receivables and Other Assets		1,094,154.34	831,793.00
Fund Balance	A-1	1,868,504.49	1,576,743.14
		<u>6,649,236.38</u>	<u>6,344,334.52</u>
<u>Grant Fund</u>			
Appropriated Reserves	A-16	97,489.39	77,028.45
Reserve for Encumbrances	A-16	2,197.00	
Unappropriated Reserves	A-17		2,554.97
		<u>99,686.39</u>	<u>79,583.42</u>
		<u>\$ 6,748,922.77</u>	<u>\$ 6,423,917.94</u>

There were deferred school taxes on December 31, 2014 and 2013 of \$2,190,697.00 (Schedule A-12)

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**CURRENT FUND****Exhibit A-1****STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE** **Sheet 1 of 2****REGULATORY BASIS**

	<u>Ref.</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,384,125.00	\$ 1,305,000.00
Miscellaneous Revenue Anticipated	A-2	1,471,947.26	1,423,601.90
Receipts from Delinquent Taxes	A-2	478,306.05	511,873.86
Receipts from Current Taxes	A-2	17,378,787.83	17,018,794.09
Non-Budget Revenues	A-2	211,395.83	314,496.51
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	1,184,820.43	797,454.95
Interfund Loans Returned			64.80
Cancel due to State for Fees Collected	A, A-4	87.09	
Adjustment for Petty Cash			600.00
Grants Cancelled	A-14	15,000.00	172,245.03
Total Income		<u>22,124,469.49</u>	<u>21,544,131.14</u>
<u>Expenditures</u>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		3,306,200.00	3,299,600.00
Other Expenses		3,755,535.00	3,721,837.00
Deferred Charges and Statutory Expenditures		667,493.00	697,381.00
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages			60,000.00
Other Expenses		225,009.16	131,314.55
Capital Improvements		130,000.00	110,000.00
Municipal Debt Service		914,869.35	945,812.50
Deferred Charges		6,068.10	
	A-3	<u>9,005,174.61</u>	<u>8,965,945.05</u>
Refund of Prior Year Revenues	A-4	3,795.02	
Reserve for Sale of Municipal Assets	A	32,950.00	
County Taxes	A-11	3,544,496.61	3,569,357.42
Due County for Added and Omitted Taxes	A-11	6,922.29	5,311.11
Adjust Prior Year Added and Omitted Taxes			437.41
Regional District School Taxes	A-12	7,595,934.00	7,485,648.00
Reallocate Grant Proceeds to General Capital			120,000.00
Grants Receivable Cancelled	A-14	4,001.49	39,245.03
Interfund Loans Advanced		255,309.12	
Re-establish Prior Year Overpayment			108.55
Total Expenditures		<u>20,448,583.14</u>	<u>20,186,052.57</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE **Sheet 2 of 2**

REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2014</u>	<u>Year 2013</u>
Excess in Revenue		\$ <u>1,675,886.35</u>	\$ <u>1,358,078.57</u>
Fund Balance January 1	A	<u>1,576,743.14</u>	<u>1,523,664.57</u>
		<u>3,252,629.49</u>	<u>2,881,743.14</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>1,384,125.00</u>	<u>1,305,000.00</u>
Fund Balance December 31	A	\$ <u><u>1,868,504.49</u></u>	\$ <u><u>1,576,743.14</u></u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 1 of 3

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 1,384,125.00	\$	\$ 1,384,125.00	\$
<u>Miscellaneous Revenues</u>					
Licenses					
Alcoholic Beverages	A-9	3,700.00		4,036.00	336.00
Fees and Permits	A-9	41,000.00		43,525.00	2,525.00
Fines and Costs					
Municipal Court	A-9	170,000.00		164,772.53	(5,227.47)
Interest and Costs on Taxes	A-5	80,000.00		85,927.38	5,927.38
Beach Badges and Parking Decals	A-9	2,000.00		5,270.00	3,270.00
Mercantile Licenses	A-9	7,500.00		9,640.00	2,140.00
State Aid:					
Consolidated Municipal Property Tax Relief	A-9	78,936.00		78,936.00	
Energy Receipts Tax	A-9	585,737.00		585,737.00	
Uniform Construction Code Fees	A-9	56,000.00		92,204.41	36,204.41
Shared Service Agreements:					
Borough of Island Heights	A-9	6,000.00		9,764.00	3,764.00
Borough of South Toms River	A-9	15,000.00		26,886.00	11,886.00
Special Items of Revenue:					
Federal and State Revenues Off-Set with Appropriations:					
Alcohol Education and Rehabilitation	A-14		472.64	472.64	
Body Armor Grant	A-14	2,554.97	2,018.32	4,573.29	
Clean Communities Program	A-14		19,077.63	19,077.63	
Drunk Driving Enforcement Fund	A-14		4,435.60	4,435.60	
Municipal Alliance on Alcoholism and Drug Abuse	A-14	7,500.00	27,645.00	35,145.00	
Safe and Secure Communities Program	A-14		60,000.00	60,000.00	

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 3

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Special Items of Revenue (Continued):					
Uniform Fire Safety Act	A-9	\$ 3,000.00	\$	\$ 3,361.80	\$ 361.80
Other Special Items:					
Lease for Mobile Telephone Cell Site	A-9	190,000.00		218,182.98	28,182.98
General Capital Fund Balance	A-9	20,000.00		20,000.00	
Total Miscellaneous Revenues	A-1	<u>1,268,927.97</u>	<u>113,649.19</u>	<u>1,471,947.26</u>	<u>89,370.10</u>
Receipts from Delinquent Taxes	A-2	<u>475,000.00</u>		<u>478,306.05</u>	<u>3,306.05</u>
Subtotal General Revenues		<u>3,128,052.97</u>	<u>113,649.19</u>	<u>3,334,378.31</u>	<u>92,676.15</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>6,766,585.03</u>		<u>7,234,547.06</u>	<u>467,962.03</u>
Total General Revenues		<u>9,894,638.00</u>	<u>113,649.19</u>	<u>10,568,925.37</u>	<u>560,638.18</u>
Non-Budget Revenues	A-2			<u>211,395.83</u>	<u>211,395.83</u>
		<u>\$ 9,894,638.00</u>	<u>\$ 113,649.19</u>	<u>\$ 10,780,321.20</u>	<u>\$ 772,034.01</u>
	Ref.	A-3	A-3		

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 3 of 3

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-7	\$ 17,378,787.83
Allocated to:		
School and County Taxes	A-1	<u>11,147,352.90</u>
Balance for Support of Municipal Budget Appropriations		6,231,434.93
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,003,112.13</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>7,234,547.06</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-7	\$ 473,813.27
Tax Title Lien Collections	A-8	<u>4,492.78</u>
	A-1,2	\$ <u><u>478,306.05</u></u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue not Anticipated:		
Revenue Accounts Receivable:		
Cable Television Franchise Fee		\$ 32,663.66
Administration Charge for Off Duty Police	\$ 10,329.50	
Excess Insurance Proceeds on Fully Funded Ordinance	77,948.11	
Impound Yard Fees	10,625.00	
Other	22,558.55	
Refunds	24,321.01	
Sale of Municipal Assets	<u>32,950.00</u>	<u>178,732.17</u>
	A-1,2	\$ <u><u>211,395.83</u></u>
Receipts	A-4	\$ 100,782.06
Revenue Accounts Receivable	A-9	32,663.66
Interfunds	A-13	<u>77,950.11</u>
		\$ <u><u>211,395.83</u></u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 1 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>OPERATIONS WITHIN CAPS</u>					
<u>General Government Functions</u>					
Administrative and Executive					
Salaries and Wages	\$ 100.00	\$ 100.00	\$	\$ 100.00	\$
Other Expenses	500.00	500.00		500.00	
Mayor and Council					
Salaries and Wages	54,000.00	54,000.00	52,618.29	1,381.71	
Other Expenses	2,500.00	2,500.00	1,890.00	610.00	
Municipal Clerk					
Salaries and Wages	54,500.00	54,500.00	31,532.40	22,967.60	
Other Expenses:					
Advertising and Public Relations	8,500.00	8,500.00	5,612.75	2,887.25	
Postage	14,000.00	14,000.00	12,000.00	2,000.00	
Miscellaneous Other Expenses	33,325.00	33,325.00	15,560.10	17,764.90	
Elections					
Other Expenses	4,000.00	4,000.00	1,003.48	2,996.52	
Financial Administration					
Salaries and Wages	65,000.00	65,000.00	60,255.77	4,744.23	
Other Expenses	46,100.00	46,100.00	36,863.55	9,236.45	
Audit Services					
Other Expenses	33,000.00	33,000.00	33,000.00		
Collection of Taxes					
Salaries and Wages	69,000.00	69,000.00	65,253.71	3,746.29	
Other Expenses:					
Miscellaneous Other Expenses	6,000.00	6,000.00	3,937.00	2,063.00	
Tax Sale Costs	1,500.00	1,500.00	861.00	639.00	
Liquidation of Tax Title Liens and Foreclosed Property					
Other Expenses	7,000.00	7,000.00		7,000.00	
Assessment of Taxes					
Salaries and Wages	24,000.00	24,000.00	22,889.10	1,110.90	
Other Expenses	2,175.00	2,175.00	2,008.88	166.12	

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 2 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Legal Services and Costs					
Other Expenses	\$ 96,000.00	\$ 96,000.00	\$ 70,850.87	\$ 25,149.13	\$
Engineering Services and Costs					
Other Expenses	55,000.00	55,000.00	44,691.85	10,308.15	
Planning Board					
Salaries and Wages	16,200.00	16,200.00	14,421.21	1,778.79	
Other Expenses	10,222.00	10,222.00	2,592.19	7,629.81	
Environmental Commission					
Other Expenses	1,250.00	1,250.00	1,163.57	86.43	
Insurance					
General Liability	130,000.00	130,000.00	107,854.48	22,145.52	
Workers Compensation	140,000.00	140,000.00	119,222.52	20,777.48	
Employee Group Insurance	1,527,170.00	1,527,170.00	1,391,470.07	135,699.93	
Unemployment Insurance	50.00	50.00		50.00	
<u>Public Safety Functions</u>					
Police					
Salaries and Wages:					
Chiefs and Officers	1,705,000.00	1,705,000.00	1,630,234.20	74,765.80	
Crossing Guards	30,000.00	30,000.00	22,658.88	7,341.12	
Other Expenses:					
Police Vehicle Acquisition	35,000.00	35,000.00	33,433.70	1,566.30	
Miscellaneous	85,580.00	85,580.00	64,804.70	20,775.30	
Office of Emergency Management					
Salaries and Wages	5,000.00	5,000.00	4,878.99	121.01	
Other Expenses	1,350.00	1,350.00	986.04	363.96	
Aid to Volunteer Fire Companies					
Other Expenses	46,170.00	46,170.00	46,161.68	8.32	
Aid to Volunteer Ambulance Companies					
Other Expenses	19,000.00	19,000.00	18,947.00	53.00	
Other Expenses - Training	5,000.00	5,000.00	770.00	4,230.00	

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 3 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Municipal Court					
Salaries and Wages	\$ 112,000.00	\$ 113,200.00	\$ 112,519.34	\$ 680.66	\$
Other Expenses	8,000.00	8,000.00	4,446.39	3,553.61	
Uniform Fire Safety Act					
Fire Official					
Salaries and Wages	17,000.00	17,000.00	15,765.74	1,234.26	
Other Expenses	5,950.00	5,950.00	4,939.37	1,010.63	
Fire Services Program					
Fire Hydrant Services	12,600.00	12,600.00	12,600.00		
P.E.O.S.H.A.	17,200.00	17,200.00	17,120.49	79.51	
Municipal Prosecutor					
Other Expenses	17,950.00	17,950.00	16,632.00	1,318.00	
<u>Public Works Functions</u>					
Streets and Roads Maintenance					
Salaries and Wages	37,500.00	37,500.00	28,125.74	9,374.26	
Other Expenses	25,950.00	25,950.00	16,756.16	9,193.84	
Snow Removal					
Other Expenses	10,000.00	10,000.00		10,000.00	
Other Public Works Functions					
Salaries and Wages	135,200.00	135,200.00	55,639.81	79,560.19	
Other Expenses	10,000.00	10,000.00	7,171.86	2,828.14	
Solid Waste Collection					
Salaries and Wages	385,500.00	385,500.00	347,962.89	37,537.11	
Other Expenses	24,050.00	24,050.00	8,605.30	15,444.70	
Recycling Program					
Salaries and Wages	136,000.00	140,000.00	137,287.83	2,712.17	
Other Expenses	26,000.00	26,000.00	21,722.45	4,277.55	
Buildings and Grounds					
Salaries and Wages	204,000.00	204,000.00	175,636.83	28,363.17	
Other Expenses	77,740.00	77,740.00	70,660.28	7,079.72	

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 4 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Equipment Maintenance					
Salaries and Wages	\$ 105,000.00	\$ 111,000.00	\$ 107,093.13	\$ 3,906.87	\$
Other Expenses	75,200.00	75,200.00	72,609.00	2,591.00	
P.E.O.S.H.A.					
Public Works					
Other Expenses	1,000.00	1,000.00		1,000.00	
<u>Health and Human Services</u>					
Animal Control Services					
Other Expenses	11,000.00	11,000.00	4,609.66	6,390.34	
<u>Park and Recreation Functions</u>					
Board of Recreation Commissioners					
Salaries and Wages	1,000.00	1,000.00	816.14	183.86	
Other Expenses	3,000.00	3,000.00	2,991.99	8.01	
Maintenance of Parks and Playgrounds					
Other Expenses	3,000.00	3,000.00	2,891.09	108.91	
Lifeguards and Special Officers					
Salaries and Wages	13,000.00	13,000.00	11,024.48	1,975.52	
Other Expenses	500.00	500.00	444.30	55.70	
Beach Maintenance					
Other Expenses	3,100.00	3,100.00	933.35	2,166.65	
<u>Education Functions</u>					
Participation in Free County Library					
Other Expenses	5,000.00	5,000.00	5,000.00		
<u>Other Common Operating Functions</u>					
Celebration of Public Events					
Other Expenses	475.00	475.00	452.50	22.50	
<u>Solid Waste Disposal Costs</u>					
Disposal Costs					
Other Expenses	524,978.00	507,778.00	423,234.51	84,543.49	

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 5 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Code Enforcement and Zoning Officer					
Salaries and Wages	\$ 23,000.00	\$ 23,000.00	\$ 20,882.56	\$ 2,117.44	\$
Other Expenses	2,650.00	2,650.00	234.00	2,416.00	
Construction Official					
Salaries and Wages	103,000.00	103,000.00	100,276.79	2,723.21	
Other Expenses	1,000.00	1,000.00	278.00	722.00	
<u>Unclassified</u>					
Utilities:					
Electricity	165,000.00	165,000.00	146,490.16	18,509.84	
Street Lighting	90,000.00	90,000.00	65,419.79	24,580.21	
Telephone and Telegraph	40,000.00	40,000.00	25,122.50	14,877.50	
Natural Gas	38,000.00	38,000.00	30,015.56	7,984.44	
Gasoline, Diesel Fuel and Oil	220,000.00	220,000.00	174,596.09	45,403.91	
Cell Telephones	13,000.00	13,000.00	12,884.42	115.58	
Sick Leave Trust	30,000.00	30,000.00	30,000.00		
Total Operations within Caps	<u>7,067,735.00</u>	<u>7,061,735.00</u>	<u>6,212,320.48</u>	<u>849,414.52</u>	
Detail:					
Salaries and Wages	3,295,000.00	3,306,200.00	3,017,773.83	288,426.17	
Other Expenses	<u>3,772,735.00</u>	<u>3,755,535.00</u>	<u>3,194,546.65</u>	<u>560,988.35</u>	
<u>STATUTORY EXPENDITURES WITHIN CAPS</u>					
Contribution to:					
Public Employees Retirement System	117,500.00	117,500.00	117,114.98	385.02	
Social Security System	265,000.00	265,000.00	238,472.44	26,527.56	
Police and Fireman's Retirement System	277,743.00	283,743.00	283,606.29	136.71	
Defined Contribution Retirement System	1,250.00	1,250.00	219.17	1,030.83	
Total Statutory Expenditures within Caps	<u>661,493.00</u>	<u>667,493.00</u>	<u>639,412.88</u>	<u>28,080.12</u>	
Total Appropriations within Caps	<u>7,729,228.00</u>	<u>7,729,228.00</u>	<u>6,851,733.36</u>	<u>877,494.64</u>	

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<u>OPERATIONS EXCLUDED FROM CAPS</u>					
Employee Group Insurance (P.L. 2007, Chap. 62)	\$ 37,830.00	\$ 37,830.00	\$ 37,830.00	\$	\$
LOSAP					
Other Expenses	33,750.00	31,838.00	31,838.00		
Disposal Costs (P.L. 2007, Ch 311)					
Other Expenses	1,850.00	1,850.00	1,850.00		
<u>Shared Services Agreements</u>					
Borough of Island Heights					
Sub-Code Official Services	6,000.00	6,000.00	6,000.00		
Borough of South Toms River					
Sub-Code Official Services	15,000.00	15,000.00	15,000.00		
<u>Public and Private Programs Offset by Revenues</u>					
Matching Funds for Grants	5,000.00				
Alcohol Education and Rehabilitation Program		472.64	472.64		
Body Armor Fund	2,554.97	4,573.29	4,573.29		
Clean Communities Program		27,645.00	27,645.00		
Drunk Driving Enforcement Fund		4,435.60	4,435.60		
Municipal Alliance Grant					
State Share	7,500.00	26,577.63	26,577.63		
Local Share	1,875.00	8,787.00	8,787.00		
Safe and Secure Communities Program		60,000.00	60,000.00		
Total Operations excluded from Caps	<u>111,359.97</u>	<u>225,009.16</u>	<u>225,009.16</u>		
Detail:					
Other Expenses	<u>111,359.97</u>	<u>225,009.16</u>	<u>225,009.16</u>		
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
Capital Improvement Fund	<u>130,000.00</u>	<u>130,000.00</u>	<u>130,000.00</u>		

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>					
Payment of Bond Principal	\$ 615,000.00	\$ 615,000.00	\$ 615,000.00	\$	\$
Interest on Bonds	273,563.75	273,563.75	273,563.75		
Interest on Notes	16,978.57	16,978.57	16,978.12		.45
Green Trust Loan Program					
Principal	9,008.34	9,008.34	9,008.34		
Interest	319.14	319.14	319.14		
Total Municipal Debt Service excluded from Caps	<u>914,869.80</u>	<u>914,869.80</u>	<u>914,869.35</u>		<u>.45</u>
<u>DEFERRED CHARGES EXCLUDED FROM CAPS</u>					
Unfunded Improvement Authorizations:					
Ordinance 2002-21	6,068.10	6,068.10	6,068.10		
Total General Appropriations excluded from Caps	<u>1,162,297.87</u>	<u>1,275,947.06</u>	<u>1,275,946.61</u>		<u>.45</u>
Subtotal General Appropriations	8,891,525.87	9,005,175.06	8,127,679.97	877,494.64	.45
Reserve for Uncollected Taxes	<u>1,003,112.13</u>	<u>1,003,112.13</u>	<u>1,003,112.13</u>		
Total General Appropriations	<u>\$ 9,894,638.00</u>	<u>\$ 10,008,287.19</u>	<u>\$ 9,130,792.10</u>	<u>\$ 877,494.64</u>	<u>\$.45</u>
	<u>Ref.</u>	A-1	A-3	A	A-1
Budget	A-2	\$ 9,894,638.00			
Appropriation by 40A:4-87	A-2	<u>113,649.19</u>			
		<u>\$ 10,008,287.19</u>			

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 8 of 8

	<u>Ref.</u>	<u>Expended Paid or Charged</u>
Disbursements	A-4	\$ 7,798,795.20
Reserve for:		
Uncollected Taxes	A-2	1,003,112.13
Encumbrances	A	289,777.19
Interfunds:		
Other	A-13	(93,383.58)
Grant Fund	A-14	132,491.16
	A-3	<u>\$ 9,130,792.10</u>

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

TRUST FUND

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - TRUST FUNDS

Exhibit B

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ <u>2,178.43</u>	\$ <u>2,108.18</u>
<u>Other Trust</u>			
Cash	B-1	1,697,411.52	1,524,231.29
Interfund - Current Fund		<u>22,220.28</u>	<u>22,220.28</u>
		<u>1,719,631.80</u>	<u>1,546,451.57</u>
<u>Length of Service Awards Program Fund</u>			
<u>(LOSAP) - Unaudited</u>			
Funds Held by Trustee	B-5	<u>232,889.82</u>	<u>209,749.76</u>
		<u>\$ 1,954,700.05</u>	<u>\$ 1,758,309.51</u>
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Prepaid Animal Control Licenses	B-1,3	\$ 1,088.00	\$ 1,040.40
Due State of New Jersey	B-2	216.00	234.60
Reserve for Expenditures	B-3	791.03	751.78
Interfund - Current Fund		<u>83.40</u>	<u>81.40</u>
		<u>2,178.43</u>	<u>2,108.18</u>
<u>Other Trust</u>			
Miscellaneous Reserves	B-4	<u>1,719,631.80</u>	<u>1,546,451.57</u>
<u>Length of Service Awards Program Fund</u>			
<u>(LOSAP) - Unaudited</u>			
Reserve for Length of Service Awards Program (LOSAP)	B-5	<u>232,889.82</u>	<u>209,749.76</u>
		<u>\$ 1,954,700.05</u>	<u>\$ 1,758,309.51</u>

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

GENERAL CAPITAL FUND

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - GENERAL CAPITAL FUND

Exhibit C

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	C-2	\$ 2,605,965.87	\$ 627,187.51
Grants Receivable	C	250,000.00	290,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	7,432,189.41	8,056,197.75
Unfunded	C-5	7,209,431.90	4,139,500.00
Interfund - Current Fund	C-7		120,000.00
		<u>\$ 17,497,587.18</u>	<u>\$ 13,232,885.26</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-6	\$ 9,019.75	\$ 43,019.75
Interfunds:			
Current Fund	C-7	37,948.11	
Water Utility Capital Fund	C-7		734,313.00
Improvement Authorizations:			
Funded	C-8	784,872.22	1,039,231.96
Unfunded	C-8	2,331,019.09	1,669,540.80
Reserve for Encumbrances	C-8	1,468,706.60	
Serial Bonds	C-9	7,423,000.00	8,038,000.00
Loans Payable	C-10	9,189.41	18,197.75
Bond Anticipation Notes	C-11	4,107,000.00	1,358,250.00
Reserve for Payment of Debt Service	C-2	1,054,500.00	
Reserve for Grants Receivable	C	250,000.00	290,000.00
Fund Balance	C-1	<u>22,332.00</u>	<u>42,332.00</u>
		<u>\$ 17,497,587.18</u>	<u>\$ 13,232,885.26</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$3,142,431.90 and \$2,901,250.00, respectively (Schedule C-12).

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 42,332.00
Decreased by:		
Anticipated as Revenue in Current Fund	C-2	<u>20,000.00</u>
Balance December 31, 2014	C	<u>\$ 22,332.00</u>

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

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WATER UTILITY FUND

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - WATER UTILITY FUND

Exhibit D

REGULATORY BASIS

Sheet 1 of 2

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	\$ 1,581,592.53	\$ 711,674.34
Cash - Change Fund		200.00	200.00
		<u>1,581,792.53</u>	<u>711,874.34</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	<u>150,248.27</u>	<u>172,791.23</u>
Other Receivables:			
Interfunds:			
Water Utility Capital Fund	D-13		1,221,826.64
Payroll Fund	D-13	34,041.26	
		<u>34,041.26</u>	<u>1,221,826.64</u>
Total Operating Fund		<u>1,766,082.06</u>	<u>2,106,492.21</u>
Capital Fund:			
Cash		1,019,248.35	1,393,269.87
N.J. Environmental Infrastructure:	D-5	494,960.00	494,960.00
Fixed Capital	D-8	6,208,075.11	6,208,075.11
Fixed Capital Authorized and Uncompleted	D-9	9,720,000.00	9,220,000.00
Interfund - General Capital Fund	D-14		734,313.00
Total Capital Fund		<u>17,442,283.46</u>	<u>18,050,617.98</u>
		<u>\$ 19,208,365.52</u>	<u>\$ 20,157,110.19</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,10	\$ 222,619.47	\$ 358,905.61
Reserve for Encumbrances	D-4,10	139,621.69	70,310.89
Accounts Payable	D-10,5	10,200.00	19,500.00
Prepaid Rents	D-5,7	52,069.93	34,263.41
Rent Overpayments	D-5,7	99.01	124.47
Accrued Interest on Bonds, Loans and Notes	D-11	64,397.58	58,217.52
		<u>489,007.68</u>	<u>541,321.90</u>
Reserve for Receivables		150,248.27	172,791.23
Fund Balance	D-1	1,126,826.11	1,392,379.08
Total Operating Fund		<u>1,766,082.06</u>	<u>2,106,492.21</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - WATER UTILITY FUND

Exhibit D

REGULATORY BASIS

Sheet 2 of 2

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance (Continued)</u>			
Capital Fund:			
Capital Improvement Fund	D-12	\$ 60,250.00	\$ 57,350.00
Interfund - Water Utility Operating Fund	D-14		1,221,826.64
Improvement Authorizations:			
Funded	D-15	632,920.78	675,508.53
Unfunded	D-15	1,201,042.66	1,231,457.16
Reserve for Encumbrances	D-15	183,594.37	
Reserve for Amortization	D-16	5,876,730.11	5,723,880.11
Deferred Reserve for Amortization	D-17	1,315,898.34	1,042,819.96
Serial Bonds	D-18	2,145,000.00	2,385,000.00
N.J. Environmental Infrastructure:			
Trust Loan	D-19	1,625,000.00	1,710,000.00
Fund Loan	D-20	1,339,146.66	1,440,075.04
Bond Anticipation Notes	D-21	3,010,000.00	2,510,000.00
Fund Balance	D-2	52,700.54	52,700.54
Total Capital Fund		<u>17,442,283.46</u>	<u>18,050,617.98</u>
		<u>\$ 19,208,365.52</u>	<u>\$ 20,157,110.19</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$616,300.00. (Schedule D-22).

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

REGULATORY BASIS

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	D-3	\$ 648,283.00	\$ 970,706.00
Water Rents	D-3	1,535,915.68	1,590,762.42
Fire Hydrant Services	D-3	12,600.00	12,600.00
Miscellaneous Revenue Anticipated	D-3	43,079.97	34,724.56
Other Credits to Income:			
Accounts Payable Cancelled			6,650.00
Unexpended Balance of Appropriation Reserves	D-10	374,362.71	447,168.80
Total Income		<u>2,614,241.36</u>	<u>3,062,611.78</u>
<u>Expenditures</u>			
Operating		1,440,550.00	1,682,500.00
Capital Improvements		27,900.00	127,900.00
Debt Service		632,652.33	436,737.17
Deferred Charges and Statutory Expenditures		130,409.00	138,406.00
Total Expenditures	D-4	<u>2,231,511.33</u>	<u>2,385,543.17</u>
Excess in Revenue		382,730.03	677,068.61
Fund Balance January 1	D	<u>1,392,379.08</u>	<u>1,686,016.47</u>
		1,775,109.11	2,363,085.08
Decreased by:			
Utilization by Water Operating Budget	D-1	<u>648,283.00</u>	<u>970,706.00</u>
Fund Balance December 31	D	<u>\$ 1,126,826.11</u>	<u>\$ 1,392,379.08</u>

WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Exhibit D-2

	<u>Ref.</u>	
Balance December 31, 2013 and 2014	D	<u>\$ 52,700.54</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-3

STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ <u>648,283.00</u>	\$ <u>648,283.00</u>	\$ <u></u>
Miscellaneous	D-1,3	30,000.00	43,079.97	13,079.97
Fire Hydrant Service	D-1,5	12,600.00	12,600.00	
Rents	D-1,7	1,575,000.00	1,535,915.68	(39,084.32)
		<u>1,617,600.00</u>	<u>1,591,595.65</u>	<u>(26,004.35)</u>
		\$ <u>2,265,883.00</u>	\$ <u>2,239,878.65</u>	\$ <u>(26,004.35)</u>

Ref. D-4

Analysis of Miscellaneous Revenue

Connection Fees		\$ 7,000.00
Interest on Investments		600.74
Other		<u>35,479.23</u>
	D-3,5	\$ <u>43,079.97</u>

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended		Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating					
Salaries and Wages	\$ 650,000.00	\$ 650,000.00	\$ 573,252.48	\$ 76,747.52	\$
Other Expenses	790,550.00	790,550.00	659,426.19	131,123.81	
Capital Improvements					
Capital Improvement Fund	2,900.00	2,900.00	2,900.00		
Capital Outlay	25,000.00	25,000.00	19,835.19	5,164.81	
Debt Service					
Payment of Bond Principal	240,000.00	240,000.00	240,000.00		
Interest on Bonds	90,333.00	90,333.00	84,298.73		6,034.27
Interest on Notes	65,512.00	65,512.00	41,981.06		23,530.94
Infrastructure Loans:					
Principal	185,929.00	185,929.00	185,928.38		.62
Interest	85,250.00	85,250.00	80,444.16		4,805.84
Deferred Charges and Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	78,309.00	78,309.00	77,788.00	521.00	
Social Security System	52,000.00	52,000.00	43,037.67	8,962.33	
Unemployment Compensation Insurance	100.00	100.00		100.00	
	<u>\$ 2,265,883.00</u>	<u>\$ 2,265,883.00</u>	<u>\$ 2,008,891.86</u>	<u>\$ 222,619.47</u>	<u>\$ 34,371.67</u>
	<u>Ref.</u>				
	D-3	D-1		D	D-1
Reserve for Encumbrances	D		\$ 139,621.69		
Disbursements	D-5		1,672,922.17		
Accrued Interest on Bonds, Notes and Loans	D-11		206,723.95		
Interfund - Payroll Fund	D-13		(10,375.95)		
			<u>\$ 2,008,891.86</u>		

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

PAYROLL FUND

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - PAYROLL FUND

Exhibit G

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	G-1	\$ 213,980.21	\$ 5,746.76
Prepaid Employee Taxes	G-2	<u>42,235.37</u>	<u> </u>
		<u>\$ 256,215.58</u>	<u>\$ 5,746.76</u>
<u>Liabilities</u>			
Interfunds:			
Current Fund	G-2	\$ 220,139.98	\$ 2,780.97
Water-Sewer Utility Operating Fund	G-2	<u>34,041.26</u>	<u> </u>
Payroll Deductions Payable	G-2	<u>2,034.34</u>	<u>2,965.79</u>
		<u>\$ 256,215.58</u>	<u>\$ 5,746.76</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit H

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
General Fixed Assets:		
Land	\$ 20,288,400.00	\$ 20,288,400.00
Buildings	3,570,658.00	3,570,658.00
Improvements - Other than Buildings	1,693,568.00	1,693,568.00
Machinery and Equipment	<u>6,302,112.00</u>	<u>6,197,695.00</u>
	<u>\$ 31,854,738.00</u>	<u>\$ 31,750,321.00</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 31,854,738.00</u>	<u>\$ 31,750,321.00</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Borough of Beachwood, County of Ocean, New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the Regional Board of Education, first aid organization or volunteer fire companies which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The financial statements of the Beachwood Sewerage Authority are reported separately.

B. Descriptions of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

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

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

Animal Control Trust Fund - animal control license revenues and expenditures.

Other Trust Fund - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Water Utility Operating Fund - revenues and expenditures necessary to operate a municipally-owned water supply system from user fees.

Water Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water capital facilities, other than those acquired through the Water Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

Payroll Fund - receipt and disbursement for payroll costs and payroll taxes.

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

C. Basis of Accounting

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

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2014 is set forth in Note 4.

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

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

General Fixed Assets - In accordance with the New Jersey Administrative Code, as promulgated by the Division, which differs in certain respects from GAAP, the Borough has developed a fixed assets accounting and reporting system.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

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

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Utility Fixed Assets - Accounting for utility fund "fixed capital" remains unchanged.

Property and equipment purchased by the Water Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Water Utility Fund are not depreciated. Principal payments for Water Utility debt are recorded as expenditures in the Water Utility Statement of Operations.

During 2014 and 2013 the following changes occurred in the fixed assets of the Borough:

	Balance Jan. 1, 2014	Expended from Current or Capital Fund	Balance Dec. 31, 2014
General Fixed Assets Account Group:			
Land	\$ 20,288,400	\$	\$ 20,288,400
Buildings	3,570,658		3,570,658
Improvements - Other than Buildings	1,693,568		1,693,568
Machinery and Equipment	6,197,695	104,417	6,302,112
Water Utility Fund:			
Fixed Capital	6,208,075		6,208,075
Fixed Capital Authorized and Uncompleted	9,220,000	500,000	9,720,000
	<u>\$ 47,178,396</u>	<u>\$ 604,417</u>	<u>\$ 47,782,813</u>

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**C. General Fixed Assets (Continued)**

	Balance Jan. 1, 2013	Expended from Current or Capital Fund	Balance Dec. 31, 2013
General Fixed Assets Account Group:			
Land	\$ 20,288,400	\$	\$ 20,288,400
Buildings	3,570,658		3,570,658
Improvements - Other than Buildings	1,693,568		1,693,568
Machinery and Equipment	6,019,442	178,253	6,197,695
Water Utility Fund:			
Fixed Capital	6,208,075		6,208,075
Fixed Capital Authorized and Uncompleted	8,720,000	500,000	9,220,000
	<u>\$ 46,500,143</u>	<u>\$ 678,253</u>	<u>\$ 47,178,396</u>

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Borough presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

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

NOTE 2. CASH AND CASH EQUIVALENTS**A. Deposits**

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

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

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

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

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

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

At year-end the carrying amount of the Borough's deposits was \$12,696,093 and the bank balance amount was \$12,741,093. Of this amount \$250,000 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered the \$12,371,630. An amount of \$119,463 was on deposit in the name of various developers for escrow and is insured by federal depository insurance or uninsured depending on the deposits of the individual developer in the depository.

B. Investments

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

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or

NOTE 2. CASH AND CASH EQUIVALENTS

B. Investments (Continued)

- a. (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Borough had no investments in qualified securities at December 31, 2014.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

NOTE 2. CASH AND CASH EQUIVALENTS**D. Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2014</u>	<u>2013</u>
Insured:		
FDIC	\$ 250,000	\$ 250,000
GUDPA	12,371,630	9,576,106
Escrow Deposits	<u>119,463</u>	<u>89,439</u>
	\$ <u>12,741,093</u>	\$ <u>9,915,545</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits are not returned to it. The Borough does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

NOTE 3. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

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

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

General Capital Fund

Serial Bonds

3.00% to 4.00% General Improvement Bonds issued April 28,
2010, installment maturities to April 1, 2024 \$ 7,423,000

The bonds mature serially to 2024. Aggregate debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 635,000	\$ 254,814
2016	650,000	235,538
2017	675,000	215,663
2018	695,000	193,376
2019	720,000	168,614
2020	750,000	142,513
2021	775,000	114,967
2022	810,000	84,720
2023	840,000	51,720
2024	<u>873,000</u>	<u>17,460</u>
	\$ <u>7,423,000</u>	\$ <u>1,479,385</u>

Green Trust Loan Program

The Borough has a low interest loan (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. The loan for boardwalk reconstruction for \$150,000 was finalized on June 30, 1995. The Borough must repay the loan in semi-annual installments over twenty years. The balance December 31, 2014 was \$9,189. Loan payments are due through 2015.

Debt service requirements during the next fiscal year is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ <u>9,189</u>	\$ <u>138</u>

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Water Utility Capital Fund

Serial Bonds

3.00% to 4.15% Water Utility Bonds issued April 28,
2010, installment maturities to April 1, 2029

\$ 2,145,000

The bonds mature serially to the year 2029. Aggregate debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 110,000	\$ 79,301
2016	115,000	75,926
2017	115,000	72,476
2018	120,000	68,651
2019	125,000	64,364
2020	130,000	59,836
2021	135,000	55,049
2022	140,000	49,803
2023	145,000	44,102
2024	150,000	38,203
2025		35,202
2026	325,000	28,703
2027		22,202
2028		22,203
2029	<u>535,000</u>	<u>11,102</u>
	\$ <u>2,145,000</u>	\$ <u>727,123</u>

NOTE 3. DEBT (CONTINUED)**A. Long-Term Debt (Continued)****New Jersey Environmental Infrastructure Program**

The Borough has four loans with the New Jersey Environmental Infrastructure Program to fund water system improvements. The first loan from the New Jersey Infrastructure Fund amounting to \$292,644 is payable semi-annually until 2024 with no interest. The second loan from the New Jersey Environmental Infrastructure Trust amounting to \$290,000 is payable semi-annually until 2024 with interest from 4% to 5%. The third and fourth loans were issued during 2008. The balance as of December 31, 2014, for the Trust and Fund Loans was \$1,625,000 and \$1,339,147, respectively. The Trust and Fund Loans are payable semi-annually until 2028 with interest from 5% to 5.5% for the Trust Loan and no interest for the Fund Loan. A balance of \$494,960 is still available to borrow. Any funds which are not borrowed will result in a decrease to the funds due back to the New Jersey Environmental Infrastructure Program. The aggregate debt service requirements (subject to change if all available funds are not borrowed) are as follows:

<u>Year</u>	<u>Infrastructure Fund</u>		<u>Infrastructure Trust</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 98,522	\$ -0-	\$ 85,000	\$ 82,919
2016	99,004	-0-	90,000	78,819
2017	99,343	-0-	95,000	74,469
2018	99,441	-0-	100,000	69,719
2019	102,595	-0-	110,000	64,718
2020	102,113	-0-	115,000	58,994
2021	101,343	-0-	120,000	52,768
2022	100,414	-0-	125,000	46,269
2023	99,326	-0-	130,000	39,493
2024	101,375	-0-	140,000	32,594
2025	84,243	-0-	120,000	25,750
2026	83,665	-0-	125,000	19,750
2027	85,832	-0-	135,000	13,500
2028	81,931	-0-	135,000	6,750
Total	\$ <u>1,339,147</u>	\$ <u>None</u>	\$ <u>1,625,000</u>	\$ <u>666,512</u>

B. Short-Term Debt

On December 31, 2014 the Borough's outstanding Bond Anticipation Notes were as follows:

NOTE 3. DEBT (CONTINUED)**B. Short-Term Debt (Continued)****General Capital Fund**

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
2010-09	Various Drainage Improvements and Roadway Repairs	\$ 655,500	0.43%
2010-11	Various Capital Improvements	180,250	0.43%
2011-05	Various Capital Improvements	356,250	0.43%
2012-05	Various Capital Improvements	701,750	0.43%
2012-08	Repairs Due to Hurricane Sandy	1,054,500	0.43%
2013-01	Repairs Due to Hurricane Sandy	308,750	0.43%
2013-08	Various Capital Improvements	<u>850,000</u>	0.43%
		\$ <u>4,107,000</u>	

Water Utility Capital Fund

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
2010-10	Replacement of Well No. 5, Replacement of Various Water Mains and Related Improvements	\$ 1,785,000	0.43%
2012-06	Water Utility Improvements	725,000	0.43%
2013-07	Water Utility Improvements	<u>500,000</u>	0.43%
		\$ <u>3,010,000</u>	

C. Bonds and Notes Authorized but not Issued

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

	<u>2014</u>	<u>2013</u>
General Capital Fund	\$ 3,142,432	\$ 2,901,250
Water Utility Capital Fund	616,300	616,300

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2014 was 1.524%. The Borough's remaining borrowing power is 1.976%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

NOTE 3. DEBT (CONTINUED)**E. Summary of Debt Service**

During 2014 and 2013 the following changes occurred in the outstanding debt of the Borough:

	Balance Jan. 1, 2014	Issued	Retired	Balance Dec. 31, 2014
General Debt:				
Serial Bonds	\$ 8,038,000	\$	\$ 615,000	\$ 7,423,000
Bond Anticipation Notes	1,358,250	2,868,750	120,000	4,107,000
Loans Payable	18,198		9,009	9,189
Water Utility Fund Debt:				
Serial Bonds	2,385,000		240,000	2,145,000
Bond Anticipation Notes	2,510,000	500,000		3,010,000
Loans Payable	3,150,075		185,928	2,964,147
	<u>\$ 17,459,523</u>	<u>\$ 3,368,750</u>	<u>\$ 1,169,937</u>	<u>\$ 19,658,336</u>
	Balance Jan. 1, 2013	Issued	Retired	Balance Dec. 31, 2013
General Debt:				
Serial Bonds	\$ 8,643,000	\$	\$ 605,000	\$ 8,038,000
Bond Anticipation Notes	536,500	821,750		1,358,250
Loans Payable	60,778		42,580	18,198
Water Utility Fund Debt:				
Serial Bonds	2,615,000		230,000	2,385,000
Bond Anticipation Notes	1,785,000	725,000		2,510,000
Loans Payable	3,330,472		180,397	3,150,075
	<u>\$ 16,970,750</u>	<u>\$ 1,546,750</u>	<u>\$ 1,057,977</u>	<u>\$ 17,459,523</u>

NOTE 4. ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$681,906 and \$611,965 at December 31, 2014 and 2013, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5. FUND BALANCES APPROPRIATED

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the introduced municipal budget for the year ending December 31 of the succeeding years are as follows:

	2014	2013
Current Fund	\$ 1,698,000	\$ 1,384,125
Water Utility Fund	539,950	648,283

NOTE 6. TAXES COLLECTED IN ADVANCE

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

	<u>Balance December 31</u>	
	<u>2014</u>	<u>2013</u>
Prepaid Taxes	\$ 164,345	\$ 207,649
Prepaid Water Rents	52,070	34,263

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Regional School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough Tax Collector (the "Collector") on or before May 13th.

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 9. PENSION PLANS

Substantially all of the Borough's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits ("the Division"): the Police and Firemen's Retirement System ("the PFRS"), the Public Employees' Retirement System ("the PERS") or the Defined Contribution Retirement Program ("the DCRP"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Public Employees' Retirement System (PERS)

The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Police and Firemen's Retirement System (PFRS)

The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

NOTE 9. PENSION PLANS (CONTINUED)**Defined Contribution Retirement Program (DCRP)**

The DCRP was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Division. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by State statute. Plan members are required to contribute 5.5% of their annual covered salary and the Borough is required to contribute 3% of the annual salary. The employee contributions along with the Borough's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were two Borough employees enrolled in the DCRP for the years ended December 31, 2014, 2013 and 2012.

Other Information

The Borough's contributions, equal to the required contribution for each fiscal year, were as follows:

	2014			2013			2012		
	PERS	PFRS	DCRP	PERS	PFRS	DCRP	PERS	PFRS	DCRP
Normal Contribution	\$ 57,507	\$ 141,569	\$ 219	\$ 57,713	\$ 140,734	\$ 225	\$ 58,824	\$ 143,016	\$ 653
2014 Adjustment	(22,074)	(20,539)							
Accrued Liability	155,786	145,193		137,994	144,488		117,647	118,458	
Total Regular Pension Contribution	191,219	266,223	219	195,707	285,222	225	176,471	261,474	653
Non-Contributory Group Life Insurance	3,252	11,520		11,648	13,450		11,243	11,261	
Retroactive Appropriations				5,410					
Total Due	\$ 194,471	\$ 277,743	\$ 219	\$ 212,765	\$ 298,672	\$ 225	\$ 187,714	\$ 272,735	\$ 653

The Division does not invest in securities issued by the Borough.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 10, the Borough provides post-retirement health care benefits and life insurance, in accordance with various contractual agreements, to employees who retire from the Borough meeting certain eligibility requirements. Currently, five retirees meet those requirements. Expenditures for post-retirement health care benefits are recognized when the insurance premiums are charged to the budget. During 2014 and 2013, expenditures of \$139,194 and \$170,159, respectively, were recognized for post-retirement health care.

GASB 45 requires certain disclosures regarding other post-employment benefits. The Borough does not have the information available for the required disclosure.

NOTE 11. SCHOOL TAXES

Regional District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

	<u>Regional District School Tax</u>	
	<u>Balance December 31</u>	
	<u>2014</u>	<u>2013</u>
Balance of Tax	\$ 3,743,331	\$ 3,695,538
Deferred	<u>2,190,697</u>	<u>2,190,697</u>
Tax Payable	\$ <u><u>1,552,634</u></u>	\$ <u><u>1,504,841</u></u>

NOTE 12. 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 Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Borough pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Borough has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2014:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 258,172	\$ 94,262
Grant Fund	72,041	
Animal Control Trust Fund		83
Other Trust Fund	22,220	
General Capital Fund		37,948
Water-Sewer Utility Operating Fund	34,041	
Payroll Fund	<u> </u>	<u>254,181</u>
	<u>\$ 386,474</u>	<u>\$ 386,474</u>

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

NOTE 14. CONTINGENT LIABILITIES**State and Federal Financial Assistance**

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 financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2014, the Borough estimates that no material liabilities will result from such audits.

Pending Litigation

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

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The Borough officials believe that negligence and other types of liability suits, of which the Borough is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

NOTE 15. SERVICE CONTRACT - SEWERAGE AUTHORITY

The Borough adopted an ordinance dated September 6, 1972, providing for a service contract between the Borough and the Beachwood Sewerage Authority (the "Authority"), which, among other things, obligates the Borough to pay to the Authority such sums of money as may be necessary to provide for deficits which result from failure of the Authority to provide adequate revenues from the operations of the Authority.

The Authority has been self-sustaining since its inception resulting in no payments having ever been made by the Borough to the Authority to cover operating deficits.

NOTE 16. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer fire department. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a length of service award plan under Section 457(e)(1) of the Internal Revenue Code.

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member shall be \$750 per year of active fire department service, commencing with the year 2003.

Appropriations - Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget, commencing with the year 2003.

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

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the fire department organization. Annual contributions shall only be made by the Borough, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each fire department organization shall provide to the Borough Administrator or Borough Clerk, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as each January 1 thereafter. The Plan Administrator shall forward said certified list to the Borough Council for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Borough Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

NOTE 16. LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) - UNAUDITED
(CONTINUED)

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the fire department organization as an active volunteer member. Any active volunteer member who terminates service with the fire department organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

NOTE 17. DEFERRED COMPENSATION

The Borough has instituted a Deferred Compensation Plan (“Plan”) pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey.

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

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

NOTE 18. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through June 30, 2015 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that the following subsequent events should be disclosed:

After the close of the year, but prior to the introduction of the 2015 Budget, the Borough adopted an ordinance dated February 18, 2015 in the amount of \$250,000.00 providing for a Special Emergency Appropriation for a Property Reassessment Program. On October 7, 2014, the Borough was ordered by the Ocean County Board of Taxation to institute a municipal-wide reassessment program to be completed by October 1, 2015. In accordance with 40A:4-55, financing of said Special Emergency Appropriation shall be provided for in the succeeding annual budgets by the inclusion of at least 1/5 of the amount authorized.

On March 4, 2015, the Borough passed a resolution authorizing the sale of bonds in the amount of \$1,140,000.00 through the New Jersey Environmental Infrastructure Trust/Fund Loan Program. Said bonds were authorized by ordinance 2014-03 of the Borough.

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BOROUGH OF BEACHWOOD

PART II

SUPPLEMENTARY DATA

OFFICIALS IN OFFICE AND SURETY BONDS

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2014

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2014</u>		<u>YEAR 2013</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,384,125.00	6.26%	\$ 1,305,000.00	6.06%
Miscellaneous-From Other Than Local				
Property Tax Levies	2,883,250.61	13.03%	2,708,463.19	12.57%
Collection of Delinquent Taxes and				
Tax Title Liens	478,306.05	2.16%	511,873.86	2.38%
Collection of Current Tax Levy	<u>17,378,787.83</u>	<u>78.55%</u>	<u>17,018,794.09</u>	<u>79.00%</u>
<u>TOTAL INCOME</u>	<u>\$ 22,124,469.49</u>	<u>100.00%</u>	<u>\$ 21,544,131.14</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 9,005,174.61	44.04%	\$ 8,965,945.05	44.42%
County Taxes	3,551,418.90	17.37%	3,575,105.94	17.71%
Regional District School Taxes	7,595,934.00	37.15%	7,485,648.00	37.08%
Other Expenditures	<u>296,055.63</u>	<u>1.45%</u>	<u>159,353.58</u>	<u>0.79%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 20,448,583.14</u>	<u>100.00%</u>	<u>\$ 20,186,052.57</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,675,886.35		\$ 1,358,078.57	
Fund Balance, January 1	<u>1,576,743.14</u>		<u>1,523,664.57</u>	
	3,252,629.49		2,881,743.14	
Less: Utilization as Anticipated Revenue	<u>1,384,125.00</u>		<u>1,305,000.00</u>	
Fund Balance, December 31	<u>\$ 1,868,504.49</u>		<u>\$ 1,576,743.14</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - WATER UTILITY FUND

	<u>YEAR 2014</u>		<u>YEAR 2013</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 648,283.00	24.80%	\$ 970,706.00	31.70%
Collection of Water Rents	1,535,915.68	58.75%	1,590,762.42	51.94%
Miscellaneous - Other Than Water Rents	430,042.68	16.45%	501,143.36	16.36%
<u>TOTAL INCOME</u>	<u>\$ 2,614,241.36</u>	<u>100.00%</u>	<u>\$ 3,062,611.78</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 1,440,550.00	64.55%	\$ 1,682,500.00	70.53%
Capital Improvements	27,900.00	1.25%	127,900.00	5.36%
Debt Service	632,652.33	28.35%	436,737.17	18.31%
Deferred Charges and Statutory Expenditures	130,409.00	5.84%	138,406.00	5.80%
<u>TOTAL EXPENDITURES</u>	<u>\$ 2,231,511.33</u>	<u>100.00%</u>	<u>\$ 2,385,543.17</u>	<u>100.00%</u>
Excess in Revenue	\$ 382,730.03		\$ 677,068.61	
Fund Balance, January 1	1,392,379.08		1,686,016.47	
	1,775,109.11		2,363,085.08	
Less: Utilization as Anticipated Revenue	648,283.00		970,706.00	
Fund Balance, December 31	<u>\$ 1,126,826.11</u>		<u>\$ 1,392,379.08</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	\$ <u>1.783</u>	\$ <u>1.768</u>	\$ <u>1.724</u>
Apportionment of Tax Rate			
Municipal	.674	.673	.650
County	.353	.354	.344
Regional School District	.756	.741	.730
Assessed Valuation			
2014	\$ 1,004,600,681		
2013		\$1,011,299,587	
2012			\$ 1,018,811,559

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2014	\$ 17,953,574	\$ 17,378,788	96.79%
2013	17,906,306	17,293,794	96.57%
2012	17,577,539	16,928,427	96.30%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$ 53,999	\$ 489,339	\$ 543,338	3.03%
2013	47,493	484,307	531,800	2.97%
2012	50,064	514,925	564,989	3.21%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 285,731
2013	285,731
2012	337,388

COMPARISON OF WATER UTILITY RENTS

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquents</u>	<u>Cash Collections</u>
2014	\$ 1,514,835	\$ 172,791	\$ 1,535,916
2013	1,554,226	212,105	1,590,762
2012	1,589,040	177,808	1,554,743

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>		
2014	\$ 1,868,504	\$ 1,698,000
2013	1,576,143	1,384,125
2012	1,523,665	1,305,000
2011	1,432,869	1,259,000
2010	1,352,857	1,224,750
<u>Water Utility Operating Fund</u>		
2014	\$ 1,126,826	\$ 539,950
2013	1,392,379	648,283
2012	1,686,016	970,706
2011	2,034,311	964,786
2010	2,380,981	988,500

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 11,539,189	\$ 9,414,448	\$ 9,240,278
Water Utility:			
Bonds, Notes and Loans	<u>8,119,147</u>	<u>8,045,075</u>	<u>7,730,472</u>
Total Issued	19,658,336	17,459,523	16,970,750
Less:			
Funds Temporarily Held to Pay Bonds:			
General Capital Fund	<u>1,094,500</u>	<u>120,000</u>	
Net Debt Issued	<u>18,563,836</u>	<u>17,339,523</u>	<u>16,970,750</u>
 <u>Authorized but not Issued</u>			
General:			
Bonds and Notes	3,142,432	2,901,250	2,564,250
Water Utility:			
Bonds and Notes	<u>616,300</u>	<u>616,300</u>	<u>841,300</u>
Total Authorized but not Issued	<u>3,758,732</u>	<u>3,517,550</u>	<u>3,405,550</u>
 Net Bonds and Notes Issued and Authorized but not Issued	 \$ <u>22,322,568</u>	 \$ <u>20,857,073</u>	 \$ <u>20,376,300</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 1.321%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 3,388,362	\$ 3,388,362	\$ -0-
Water Utility Debt	8,735,447	8,735,447	-0-
General Debt	<u>14,681,621</u>	<u>1,094,500</u>	<u>13,587,121</u>
	\$ <u>26,805,430</u>	\$ <u>13,218,309</u>	\$ <u>13,587,121</u>

Net Debt \$13,587,121 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$891,559,754 = 1.524%.

BORROWING POWER UNDER N.J.S.A. 40A:2-6

3.5% of Equalized Valuation Basis (Municipal)	\$ 31,204,591
Net Debt	<u>13,587,121</u>
Remaining Borrowing Power	\$ <u>17,617,470</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER UTILITY PER N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other		
Charges for Year		\$ 2,239,879
Deductions:		
Operating and Maintenance Cost	\$ 1,570,959	
Debt Service per Water Account	<u>632,652</u>	
Total Deductions		<u>2,203,611</u>
Excess in Revenue		\$ <u>36,268</u>

The forgoing debt information is in agreement with a revised Annual Debt Statement filed by the Chief Financial Officer.

* * * * *

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2014:

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Ronald R. Roma, Jr.	Mayor	
Steven Komsa	Council President	
Beverly Clayton	Councilwoman	
Gregory Feeney	Councilman	
Gerald W. LaCrosse	Councilman	
Thomas Miserendino	Councilman	
Edward Zakar	Councilman	
Susan A. Minock	Borough Clerk, Deputy Treasurer and Assessment Search Officer	
John V. Mauder	Chief Financial Officer	
Elizabeth Sarantinoudis	Treasurer	*
Wendy Prior	Tax Collector	*
Donna LeMore	Senior Cashier, Water Accounts Clerk	*
Damian G. Murray	Magistrate	*
Linda L. Felton	Court Administrator	*
Lesley Kirschgessner	Deputy Court Administrator	

* There was a Statutory Position Bond in the amount of \$1,000,000 (\$1,000 deductible) carried by the Municipal Excess Liability Joint Insurance Fund.

There was a "Public Employees' Dishonesty Blanket Bond" in the amount of \$50,000 (\$2,500 deductible) for Borough employees carried by the Ocean County Municipal Joint Insurance Fund.

There was a "Public Employees' Dishonesty Blanket Bond" in the amount of \$950,000 for Borough employees carried by the Municipal Excess Liability Joint Insurance Fund.

There was a "Public Officials Bond" in the amount of \$1,000,000 carried by the Municipal Excess Liability Joint Insurance Fund.

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

Balance December 31, 2013		\$ 5,509,638.54
Increased by Receipts:		
Tax Collector	\$ 17,853,781.07	
State of New Jersey (Ch. 20, P.L. 1971)	110,975.58	
Revenue Accounts Receivable	1,294,979.38	
Interfunds:		
Grant Fund	116,898.03	
Other	1,117,051.61	
Due to State:		
Marriage Licenses	1,225.00	
Construction Fees	12,688.59	
Due for Performance of Ceremony	500.00	
Miscellaneous Revenue not Anticipated	100,782.06	
		<u>20,608,881.32</u>
		26,118,519.86
Decreased by Disbursements:		
Budget Appropriations	7,798,795.20	
Appropriation Reserves	209,697.56	
County Taxes Payable	3,549,807.72	
Regional School District Tax	7,548,140.81	
Interfunds:		
Grant Fund	94,833.22	
Other	1,321,027.04	
Accounts Payable	28,100.00	
Tax Overpayments	1,070.96	
Due to State:		
Marriage Licenses	1,350.00	
Construction Fees	7,420.29	
Due for Performance of Ceremony	500.00	
Prior Year Revenue Refunded	3,795.02	
		<u>20,564,537.82</u>
Balance December 31, 2014		\$ <u><u>5,553,982.04</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-5

SCHEDULE OF CURRENT CASH - TAX COLLECTOR

Increased by Receipts:		
Taxes Receivable	\$ 17,536,202.45	
Tax Title Liens	4,492.78	
Tax Overpayments	62,813.21	
Prepaid Taxes	164,345.25	
Interest and Costs on Taxes	<u>85,927.38</u>	
		\$ 17,853,781.07
Decreased by Disbursements:		
Turnover to Treasurer		<u>\$ 17,853,781.07</u>

SCHEDULE OF DUE FROM STATE OF NEW JERSEY

(CHAPTER 20, P.L. 1971)

Exhibit A-6

Balance December 31, 2013 - Due From		\$ 1,802.98
Increased by:		
2014 Senior Citizens and Veterans Exemptions per Tax Duplicate	\$ 111,750.00	
2014 Deductions Disallowed by Tax Collector	(5,500.00)	
2014 Deductions Allowed by Tax Collector	<u>2,500.00</u>	
		<u>108,750.00</u>
		110,552.98
Decreased by:		
Receipts		<u>110,975.58</u>
Balance December 31, 2014 - Due To		<u>\$ (422.60)</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-7

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2014 Levy	Collections		Due from State	Transferred to Tax Title Liens	Cancelled	Balance
	Dec. 31, 2013		2013	2014				Dec. 31, 2014
2008	\$ 1,764.10	\$	\$	\$	\$	\$	\$	\$ 1,764.10
2009	1,824.83							1,824.83
2010	6,177.65			3,144.20				3,033.45
2011	3,346.62			3,346.62				
2012	4,756.56			4,756.56				
2013	466,437.34			462,565.89			1,751.76	2,119.69
	484,307.10			473,813.27			1,751.76	8,742.07
2014		17,954,473.47	207,648.65	17,062,389.18	108,750.00	10,999.34	84,089.83	480,596.47
	<u>\$ 484,307.10</u>	<u>\$ 17,954,473.47</u>	<u>\$ 207,648.65</u>	<u>\$ 17,536,202.45</u>	<u>\$ 108,750.00</u>	<u>\$ 10,999.34</u>	<u>\$ 85,841.59</u>	<u>\$ 489,338.54</u>
Levy		\$ 17,953,574.29						
Delinquent Penalty		899.18						
		<u>\$ 17,954,473.47</u>						

Analysis of 2014 Property Tax Yield and Tax Levy

Tax Yield:

General Purpose Tax	\$ 17,912,031.95	
Added and Omitted Taxes	<u>41,542.34</u>	\$ <u>17,953,574.29</u>

Tax Levy:

Regional District School Tax (Abstract)		\$ 7,595,934.00
County Taxes:		
County Tax (Abstract)	\$ 2,986,877.75	
County Library Tax (Abstract)	332,897.94	
County Health Tax (Abstract)	119,728.81	
County Open Space Tax (Abstract)	104,992.11	
Due County for Added and Omitted Taxes	<u>6,922.29</u>	
Total County Taxes		3,551,418.90
Local Tax for Municipal Purposes	6,766,585.03	
Add: Additional Tax Levied	<u>39,636.36</u>	
		<u>6,806,221.39</u>

\$ 17,953,574.29

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-8

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2013	\$ 47,492.73
Increased by:	
Transfers from Taxes Receivable	<u>10,999.34</u>
	58,492.07
Decreased by:	
Receipts	<u>4,492.78</u>
Balance December 31, 2014	\$ <u><u>53,999.29</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance Dec. 31, 2013</u>	<u>Accrued in 2014</u>	<u>Collected by Treasurer</u>	<u>Balance Dec. 31, 2014</u>
Licenses:				
Alcoholic Beverages	\$	\$ 4,036.00	\$ 4,036.00	\$
Fees and Permits		43,525.00	43,525.00	
Mercantile Licenses		9,640.00	9,640.00	
Beach Badges and Parking Decals		5,270.00	5,270.00	
Lease for Mobile Telephone Cell Site		218,182.98	218,182.98	
Miscellaneous:				
Cable Television Franchise Fee		32,663.66	32,663.66	
Fund Balance - General Capital Fund		20,000.00	20,000.00	
Municipal Court:				
Fines and Costs	11,399.80	160,286.75	164,772.53	6,914.02
State Aid:				
Consolidated Municipal Property Tax Relief		78,936.00	78,936.00	
Energy Receipts Tax		585,737.00	585,737.00	
Uniform Fire Safety Act		3,361.80	3,361.80	
Uniform Construction Code Fees		92,204.41	92,204.41	
Shared Service Agreements:				
Borough of Island Heights		9,764.00	9,764.00	
Borough of South Toms River		26,886.00	26,886.00	
	<u>\$ 11,399.80</u>	<u>\$ 1,290,493.60</u>	<u>\$ 1,294,979.38</u>	<u>\$ 6,914.02</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 1 of 5

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>OPERATIONS WITHIN CAPS</u>					
Administrative and Executive					
Salaries and Wages	\$ 100.00	\$	\$ 100.00	\$	\$ 100.00
Other Expenses	475.00		475.00	250.00	225.00
Mayor and Council					
Salaries and Wages	1,413.66		1,413.66		1,413.66
Other Expenses	507.00		507.00		507.00
Municipal Clerk					
Salaries and Wages	2,423.06		2,423.06		2,423.06
Other Expenses:					
Advertising and Public Relations	3,085.00	5,415.00	8,500.00	5,403.00	3,097.00
Postage		4,000.00	4,000.00	4,000.00	
Miscellaneous Other Expenses	17,939.75	2,744.85	20,684.60	2,744.85	17,939.75
Elections					
Other Expenses	3,027.39		3,027.39		3,027.39
Financial Administration					
Salaries and Wages	6,352.28		6,352.28		6,352.28
Other Expenses	12,018.15	4,254.38	16,272.53	4,219.07	12,053.46
Audit Services					
Other Expenses		33,000.00	33,000.00	33,000.00	
Collection of Taxes					
Salaries and Wages	9,796.71		9,796.71		9,796.71
Other Expenses:					
Miscellaneous Other Expenses	2,739.00		2,739.00		2,739.00
Tax Sale Costs	1,125.00		1,125.00		1,125.00
Liquidation of Tax Title Liens and Foreclosed Property					
Other Expenses	7,000.00		7,000.00		7,000.00
Assessment of Taxes					
Salaries and Wages	1,559.92		1,559.92		1,559.92
Other Expenses	152.00	1,750.00	1,902.00	1,736.77	165.23
Legal Services and Costs					
Other Expenses	16,620.65	27,850.50	44,471.15	24,992.08	19,479.07

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 5

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>OPERATIONS WITHIN CAPS (CONTINUED)</u>					
Engineering Services and Costs					
Other Expenses	\$ 15,100.00	\$ 17,902.41	\$ 33,002.41	\$ 3,746.10	\$ 29,256.31
Planning Board					
Salaries and Wages	1,892.04		1,892.04		1,892.04
Other Expenses	5,847.00	378.00	6,225.00	378.00	5,847.00
Environmental Commission					
Other Expenses	1,250.00		1,250.00		1,250.00
Insurance					
General Liability	69.00		69.00		69.00
Workers Compensation	182.30		182.30		182.30
Employee Group Insurance	209,270.88	6,571.47	215,842.35	5,258.12	210,584.23
Unemployment Insurance	50.00		50.00		50.00
Police					
Salaries and Wages:					
Chiefs and Officers	125,870.62		125,870.62		125,870.62
Crossing Guards	7,357.17		7,357.17		7,357.17
Other Expenses:					
Police Vehicle Acquisition	388.03	1,736.50	2,124.53	1,736.50	388.03
Miscellaneous	32,856.84	17,168.49	50,025.33	18,134.93	31,890.40
Office of Emergency Management					
Salaries and Wages	406.56		406.56		406.56
Other Expenses	428.40	444.80	873.20	468.86	404.34
Aid to Volunteer Fire Companies					
Other Expenses	98.71	15,580.75	15,679.46	15,575.14	104.32
Aid to Volunteer Ambulance Companies					
Other Expenses	23.50	2,281.89	2,305.39	2,281.89	23.50
Other Expenses - Training	4,425.00	150.00	4,575.00		4,575.00
Municipal Court					
Salaries and Wages	585.86		585.86		585.86
Other Expenses	2,207.72	706.94	2,914.66	706.94	2,207.72

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 5

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>OPERATIONS WITHIN CAPS (CONTINUED)</u>					
Uniform Fire Safety Act					
Fire Official					
Salaries and Wages	\$ 3,711.62	\$	\$ 3,711.62	\$	\$ 3,711.62
Other Expenses	212.95	2,932.05	3,145.00	2,872.05	272.95
Fire Services Program					
P.E.O.S.H.A.	.21	14,003.79	14,004.00	14,003.79	.21
Municipal Prosecutor					
Other Expenses	1,318.00	1,386.00	2,704.00	1,386.00	1,318.00
Streets and Roads Maintenance					
Salaries and Wages	10,519.49		10,519.49		10,519.49
Other Expenses	1,926.21	8,443.06	10,369.27	8,199.49	2,169.78
Snow Removal					
Other Expenses	7,064.60		7,064.60		7,064.60
Other Public Works Functions					
Salaries and Wages	81,516.34		81,516.34		81,516.34
Other Expenses	1,942.06	2,982.65	4,924.71	2,180.07	2,744.64
Solid Waste Collection					
Salaries and Wages	38,287.11		38,287.11		38,287.11
Other Expenses	14,925.50		14,925.50		14,925.50
Recycling Program					
Salaries and Wages	8,640.87		8,640.87		8,640.87
Other Expenses	8,263.20	4,098.17	12,361.37	3,833.09	8,528.28
Buildings and Grounds					
Salaries and Wages	53,215.08		53,215.08		53,215.08
Other Expenses	3,519.51	10,373.55	13,893.06	9,031.14	4,861.92
Equipment Maintenance					
Salaries and Wages	5,833.16		5,833.16		5,833.16
Other Expenses	8,585.11	4,275.89	12,861.00	4,092.79	8,768.21
P.E.O.S.H.A.					
Public Works					
Other Expenses	1,000.00		1,000.00		1,000.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**CURRENT FUND****Exhibit A-10****SCHEDULE OF APPROPRIATION RESERVES****Sheet 4 of 5**

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>OPERATIONS WITHIN CAPS (CONTINUED)</u>					
Animal Control Services					
Other Expenses	\$ 3,755.96	\$	\$ 3,755.96	\$	\$ 3,755.96
Board of Recreation Commissioners					
Salaries and Wages	314.51		314.51		314.51
Other Expenses	172.42	38.45	210.87	38.45	172.42
Maintenance of Parks and Playgrounds					
Other Expenses	944.02	165.30	1,109.32	165.22	944.10
Lifeguards and Special Officers					
Salaries and Wages	3,255.47		3,255.47		3,255.47
Other Expenses	320.51		320.51		320.51
Beach Maintenance					
Other Expenses	3,083.01		3,083.01		3,083.01
Participation in Free County Library					
Other Expenses	5,000.00		5,000.00		5,000.00
Celebration of Public Events					
Other Expenses	175.00		175.00		175.00
Disposal Costs					
Other Expenses	206,623.86	550.00	207,173.86	477.40	206,696.46
Code Enforcement and Zoning Officer					
Salaries and Wages	2,039.84		2,039.84		2,039.84
Other Expenses	1,016.93	148.00	1,164.93	148.00	1,016.93
Construction Official					
Salaries and Wages	613.43		613.43		613.43
Other Expenses	845.00		845.00		845.00
Utilities:					
Electricity	33,270.83	22,099.28	55,370.11	8,208.30	47,161.81
Street Lighting	27,601.38	8,723.11	36,324.49	4,162.58	32,161.91
Telephone and Telegraph	10,745.90	3,475.70	14,221.60	1,936.56	12,285.04
Natural Gas	1,568.02	7,750.00	9,318.02	4,054.55	5,263.47
Gasoline, Diesel Fuel and Oil	44,259.07	14,471.16	58,730.23	14,471.16	44,259.07
Cell Telephones	1,872.15	1,300.00	3,172.15	857.07	2,315.08
Total Operations within Caps	<u>1,092,602.53</u>	<u>249,152.14</u>	<u>1,341,754.67</u>	<u>204,749.96</u>	<u>1,137,004.71</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 5 of 5

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>STATUTORY EXPENDITURES WITHIN CAPS</u>					
Contribution to:					
Social Security System	\$ 25,287.26	\$	\$ 25,287.26	\$	\$ 25,287.26
Defined Contribution Retirement Program	1,025.41		1,025.41		1,025.41
Public Employees Retirement System	4,800.06		4,800.06		4,800.06
Total Statutory Expenditures within Caps	<u>31,112.73</u>		<u>31,112.73</u>		<u>31,112.73</u>
Total Appropriations within Caps	<u>1,123,715.26</u>	<u>249,152.14</u>	<u>1,372,867.40</u>	<u>204,749.96</u>	<u>1,168,117.44</u>
<u>OPERATIONS EXCLUDED FROM CAPS</u>					
LOSAP					
Other Expenses	33,750.00		33,750.00	19,497.60	14,252.40
Shared Services Agreements:					
Borough of South Toms River					
Sub-Code Official Services	<u>2,450.59</u>		<u>2,450.59</u>	<u>19,497.60</u>	<u>2,450.59</u>
Total Operations excluded from Caps	<u>36,200.59</u>		<u>36,200.59</u>		<u>16,702.99</u>
Total General Appropriations	\$ <u>1,159,915.85</u>	\$ <u>249,152.14</u>	\$ <u>1,409,067.99</u>	\$ <u>224,247.56</u>	\$ <u>1,184,820.43</u>
Disbursements				\$ 209,697.56	
Accounts Payable				<u>14,550.00</u>	
				<u>\$ 224,247.56</u>	

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2013		\$	5,311.11
Increased by:			
County Tax	\$ 2,986,877.75		
County Library Tax	332,897.94		
County Health Tax	119,728.81		
County Open Space Tax	104,992.11		
Added and Omitted Taxes	<u>6,922.29</u>		
			<u>3,551,418.90</u>
			3,556,730.01
Decreased by:			
Payments			<u>3,549,807.72</u>
Balance December 31, 2014		\$	<u><u>6,922.29</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-12

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

Balance December 31, 2013:		
School Tax Payable	\$ 1,504,841.27	
School Tax Deferred	<u>2,190,697.00</u>	
		\$ 3,695,538.27
Increased by:		
Levy - School Year July 1, 2014 to June 30, 2015		<u>7,595,934.00</u>
		11,291,472.27
Decreased by:		
Payments		<u>7,548,140.81</u>
Balance December 31, 2014:		
School Tax Payable	1,552,634.46	
School Tax Deferred	<u>2,190,697.00</u>	
		\$ <u>3,743,331.46</u>
<u>2014 Liability for Regional District School Tax</u>		
Tax Paid		\$ 7,548,140.81
Tax Payable December 31, 2014		<u>1,552,634.46</u>
		9,100,775.27
Less: Taxes Payable December 31, 2013		<u>1,504,841.27</u>
Amount Charged to 2014 Operations		\$ <u>7,595,934.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-13

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Animal Control Trust Fund	Other Trust Fund	General Capital Fund	Payroll Fund
Balance December 31, 2013 - Due From/(Due To)	\$ <u>(139,357.91)</u>	\$ <u>81.40</u>	\$ <u>(22,220.28)</u>	\$ <u>(120,000.00)</u>	\$ <u>2,780.97</u>
Increased by:					
Disbursements	1,321,027.04			1,197,051.61	123,975.43
Budget Appropriations - Employee Share of Health Benefits	93,383.58				93,383.58
Miscellaneous Revenue not Anticipated	77,950.11	2.00		77,948.11	
Total Increases	<u>1,492,360.73</u>	<u>2.00</u>		<u>1,274,999.72</u>	<u>217,359.01</u>
Total Increases and Balances	<u>1,353,002.82</u>	<u>83.40</u>	<u>(22,220.28)</u>	<u>1,154,999.72</u>	<u>220,139.98</u>
Decreased by:					
Receipts	<u>1,117,051.61</u>			<u>1,117,051.61</u>	
Balance December 31, 2014 - Due From/(Due To)	\$ <u><u>235,951.21</u></u>	\$ <u><u>83.40</u></u>	\$ <u><u>(22,220.28)</u></u>	\$ <u><u>37,948.11</u></u>	\$ <u><u>220,139.98</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-14

SCHEDULE OF INTERFUNDS

GRANT FUND

Balance December 31, 2013 - Due To			\$ (52,188.09)
Increased by:			
Grant Expenditures:			
Disbursed	\$ 94,833.22		
2014 Budget Revenue	123,704.16		
Cancel Appropriated Reserves	15,000.00		
			<u>233,537.38</u>
			181,349.29
Decreased by:			
Receipts:			
Grants Received by Current Fund	116,898.03		
Cancel Grants Receivable	4,001.49		
Transferred from 2014 Budget Appropriations	132,491.16		
			<u>253,390.68</u>
Balance December 31, 2014 - Due To			\$ <u><u>(72,041.39)</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GRANT FUND

Exhibit A-15

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Budget Revenue</u>	<u>Realized</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2014</u>
2014 Grants:					
Alcohol Education and Rehabilitation Fund	\$	\$ 472.64	\$ 472.64	\$	\$
Body Armor Grant					
2013 Award Amount		2,554.97	2,554.97		
2014 Award Amount		2,018.32	2,018.32		
Clean Communities Program		19,077.63	19,077.63		
Drunk Driving Enforcement Fund		4,435.60	4,435.60		
Municipal Alliance					
2014 Award Amount		7,500.00	7,500.00		
Fiscal Year 2014-15		27,645.00			27,645.00
Safe and Secure Communities Program		60,000.00	60,000.00		
2013 Grants:					
Click It or Ticket	4,000.00			4,000.00	
Municipal Alliance	8,395.33		8,393.84	1.49	
Safe and Secure Communities Program	15,000.00		15,000.00		
	<u>\$ 27,395.33</u>	<u>\$ 123,704.16</u>	<u>\$ 119,453.00</u>	<u>\$ 4,001.49</u>	<u>\$ 27,645.00</u>
Receipts			\$ 116,898.03		
Unappropriated Reserves			<u>2,554.97</u>		
			<u>\$ 119,453.00</u>		

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GRANT FUND

Exhibit A-16

SCHEDULE OF APPROPRIATED RESERVES

Sheet 1 of 2

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>Transfer from 2014 Budget Appropriation</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2014</u>
2014 Grants:					
Alcohol Education and Rehabilitation Fund	\$	\$ 472.64	\$	\$	\$ 472.64
Body Armor Grant					
2013 Award Amount		2,554.97			2,554.97
2014 Award Amount		2,018.32			2,018.32
Clean Communities Program		19,077.63			19,077.63
Drunk Driving Enforcement Fund		4,435.60			4,435.60
Municipal Alliance					
2014 Award Amount		9,375.00	9,375.00		
Fiscal Year 2014-15		34,557.00	16,794.11		17,762.89
Safe and Secure Communities Program		60,000.00	45,000.00	15,000.00	
2013 Grants:					
Body Armor Grant	2,076.18		593.96		1,482.22
Clean Communities Program	20,368.37				20,368.37
2012 Grants:					
Clean Communities Program	17,348.35		2,931.40		14,416.95
Drunk Driving Enforcement	4,576.67				4,576.67
2011 Grants:					
Alcohol Education and Rehabilitation Fund	150.82				150.82
Body Armor Fund	2,004.05		2,004.04		.01
Clean Communities Program	17,652.94		17,635.79		17.15
Drunk Driving Enforcement Fund	4,338.77				4,338.77
2010 Grants:					
Clean Communities Program	29.02				29.02
2009 Grants:					
Clean Communities Program	2,048.34		1,008.18		1,040.16

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GRANT FUND

Exhibit A-16

SCHEDULE OF APPROPRIATED RESERVES

Sheet 2 of 2

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>Transfer from 2014 Budget Appropriation</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2014</u>
2009 Grants (Continued):					
Drunk Driving Enforcement Fund	3,531.63		36.50		3,495.13
2008 Grants:					
Drunk Driving Enforcement Fund	\$ 1,651.24	\$	\$ 1,651.24	\$	\$
2005 and Prior Grants:					
Alcohol Education and Rehabilitation Fund	<u>1,252.07</u>				<u>1,252.07</u>
	<u>\$ 77,028.45</u>	<u>\$ 132,491.16</u>	<u>\$ 97,030.22</u>	<u>\$ 15,000.00</u>	<u>\$ 97,489.39</u>
Adopted Budget		\$ 18,841.97			
Added By N.J.S. 40A:4-87		<u>113,649.19</u>			
		<u>\$ 132,491.16</u>			
Paid by Current Fund			\$ 94,833.22		
Reserve for Encumbrances			<u>2,197.00</u>		
			<u>\$ 97,030.22</u>		

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GRANT FUND

Exhibit A-17

SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2013	Appropriated in 2014
Grant		
Body Armor Fund	\$ <u>2,554.97</u>	\$ <u>2,554.97</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

TRUST FUNDS

Exhibit B-1

SCHEDULE OF CASH - TREASURER

	<u>Animal Control Trust</u>	<u>Other Trust</u>
Balance December 31, 2013	\$ 2,108.18	\$ 1,524,231.29
Increased by Receipts:		
Prepaid Licenses	\$ 1,088.00	\$
Due State of New Jersey	1,758.00	
Animal License Fees	6,188.00	
Interfund - Current Fund	1,442.00	
Miscellaneous Reserves		1,378,771.44
	<u>10,476.00</u>	<u>1,378,771.44</u>
	12,584.18	2,903,002.73
Decreased by Disbursements:		
Due State of New Jersey	1,776.60	
Animal Control Fund Expenditures	7,189.15	
Interfund - Current Fund	1,440.00	
Miscellaneous Reserves		1,205,591.21
	<u>10,405.75</u>	<u>1,205,591.21</u>
Balance December 31, 2014	\$ <u>2,178.43</u>	\$ <u>1,697,411.52</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

ANIMAL CONTROL TRUST FUND

Exhibit B-2

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance December 31, 2013	\$ 234.60
Increased by:	
2014 Animal License Fees	1,758.00
	<u>1,992.60</u>
Decreased by:	
Fees Paid to State	<u>1,776.60</u>
Balance December 31, 2014	\$ <u><u>216.00</u></u>

SCHEDULE OF RESERVE FOR EXPENDITURES

Exhibit B-3

Balance December 31, 2013	\$ 751.78
Increased by:	
2014 Animal License Fees	\$ 6,188.00
Prepaid Licenses Applied	<u>1,040.40</u>
	<u>7,228.40</u>
	<u>7,980.18</u>
Decreased by:	
Expenditures Under R.S. 4:19-15.11	<u>7,189.15</u>
Balance December 31, 2014	\$ <u><u>791.03</u></u>

Animal License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ <u>8,546.40</u>
2013	<u>7,637.60</u>
	\$ <u><u>16,184.00</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B-4

SCHEDULE OF MISCELLANEOUS RESERVES

	Balance Dec. 31, 2013	Increases	Decreases	Balance Dec. 31, 2014
Affordable Housing	\$ 188,235.53	\$ 18,630.30	\$	\$ 206,865.83
Community Center and Mayo Park Complex Maintenance	22,145.30	37,872.70	22,290.35	37,727.65
Deposit on Rental of Community Center and Mayo Park	19,350.00	53,925.00	53,500.00	19,775.00
Developers' Escrow Funds	171,403.39	30,628.61	99,042.71	102,989.29
Disposal of Forfeited Property	15,647.38	898.00	3,850.00	12,695.38
Donations for:				
Developer's Contribution for Detention Basins	4,290.00	5,720.00		10,010.00
Fireworks on the Toms River	78,908.69	27,600.64	26,244.66	80,264.67
Tree Purchases	1,054.05	100.00		1,154.05
Law Enforcement Trust	4,032.31		1,503.80	2,528.51
Municipal Alliance	3,967.63	15,624.15	11,581.02	8,010.76
Parking Offenses Adjudication Act	554.92	8.00		562.92
Premiums Received at Tax Sale	356,300.00	330,400.00	239,600.00	447,100.00
Public Defender	1,497.41	5,367.62	5,347.25	1,517.78
Recreation Commission	20,901.58	12,927.10	12,067.81	21,760.87
Recycling Trust	206,559.60	38,045.38		244,604.98
Riverfront Trust	65,532.13	86,848.54	16,384.85	135,995.82
Sick Leave Trust	27,820.14	30,000.00		57,820.14
Snow Removal	68,570.55		20,267.24	48,303.31
Third Party Tax Title Lien Redemption	19,135.59	677,523.11	689,909.81	6,748.89
Unemployment Compensation	265,454.95	6,650.47	4,001.71	268,103.71
Uniform Fire Safety Act Penalties	5,090.42	1.82		5,092.24
	<u>\$ 1,546,451.57</u>	<u>\$ 1,378,771.44</u>	<u>\$ 1,205,591.21</u>	<u>\$ 1,719,631.80</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

LOSAP FUND

Exhibit B-5

SCHEDULE OF RESERVE FOR LENGTH OF

SERVICE AWARDS PROGRAM (LOSAP)

(UNAUDITED)

Balance December 31, 2013		\$ 209,749.76
Increased by:		
Borough Contributions to Trustee	\$ 19,497.60	
Interest Earned	2,420.43	
Gain on Contributions	<u>2,212.03</u>	
		<u>24,130.06</u>
		233,879.82
Decreased by:		
Distributions		<u>990.00</u>
Balance December 31, 2014		<u><u>\$ 232,889.82</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH - TREASURER

Balance December 31, 2013		\$ 627,187.51
Increased by Receipts:		
Deferred Charges to Future Taxation - Unfunded	\$ 6,068.10	
Interfunds	4,434,697.29	
Capital Improvement Fund	130,000.00	
Bond Anticipation Notes	2,868,750.00	
Reserve for Debt Service	<u>1,054,500.00</u>	
		8,494,015.39
		<u>9,121,202.90</u>
Decreased by Disbursements:		
Fund Balance Anticipated as Revenue in Current Fund	20,000.00	
Interfunds	4,910,953.62	
Improvement Authorizations	1,464,283.41	
Bond Anticipation Notes	<u>120,000.00</u>	
		<u>6,515,237.03</u>
Balance December 31, 2014		\$ <u><u>2,605,965.87</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-3

ANALYSIS OF CAPITAL CASH

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Notes Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 42,332.00				\$ 20,000.00			\$ 22,332.00
Capital Improvement Fund	43,019.75		130,000.00			164,000.00		9,019.75
Interfunds:								
Current Fund	(120,000.00)		1,103,489.98		905,541.87	40,000.00		37,948.11
Other Trust Fund			103,108.56		43,000.00	60,108.56		
Water Utility Operating Fund			218,098.75		218,098.75			
Water Utility Capital Fund	734,313.00		3,010,000.00		3,744,313.00			
Reserve for Payment of Debt Service			1,054,500.00					1,054,500.00
Reserve for Encumbrances							1,468,706.60	1,468,706.60
Funds Borrowed in Excess of Authorization:								
Ordinance 2012-05	120,000.00				120,000.00		40,000.00	40,000.00
Improvement Authorizations:								
Ordinance Number	<u>Improvement Description</u>							
1993-05, 1994-08,								
2003-14	Construction of Municipal Complex		4,620.82					4,620.82
2000-17	Repair, Replacement and Reconstruction of Bulkheading and Necessary Beach Replenishment		2,131.45					2,131.45
2002-03	Various Improvements to Streets and Roads		8,530.28			500.00		8,030.28
2002-21, 2004-11, 2008-01	Renovation and/or Building Construction of the Garage Storage Area at Mayo Park		(6,068.10)		6,068.10			
2003-10, 2006-18,								
2008-10, 2014-07	Various Capital Improvements		348,329.03	4,900.00		24,304.26		319,124.77
2004-08, 2005-09	Various Capital Improvements		41,085.25					41,085.25
2005-05	Road Drainage Improvements and Municipal Building Upgrades		3,878.24			3,428.24		450.00
2006-12	Road Reconstruction and Improvements		182,150.90			1,631.26		180,519.64
2006-20	Acquisition of Vehicles and Document's Solution System		15,393.46					15,393.46
2007-09	Various Roadway, Drainage and Purchase of Various Equipment		68,894.95			8,452.95		60,442.00
2008-12	Various Roadway and Drainage Improvements		4,012.85			1,794.00		2,218.85
2008-15	Purchase of Garbage Truck, Dump Truck and Various Equipment		66,072.80					66,072.80
2009-08	Various Improvements to Streets and Roads and the Purchase of Equipment for First Aid and Fire		210,052.85	206,614.35		3,438.50		
2009-09	Purchase of Furnishing and Equipment for the New Beachwood First Aid Building		6,095.76	3,201.99		1,000.00		1,893.77
2009-15	Various Capital Improvements		12,635.23					12,635.23
2010-09	Various Drainage Improvements and Roadway Repairs		(435,494.10)	655,500.00	171,715.40	33,901.78		9,388.72
2010-11	Various Capital Improvements		14,966.10					14,966.10
2011-05	Various Capital Improvements		95,162.46	88,724.97		543.62		5,893.87
2011-10, 2013-11	Improvements to Municipal Building		22,348.09	12,202.75				10,145.34
2012-05	Various Capital Improvements		341,597.19	245,451.92				96,145.27
2012-08, 2013-01	Repairs due to Hurricane Sandy		(1,241,872.75)	1,363,250.00	65,571.27	16,006.83		39,799.15
2013-08	Various Capital Improvements		43,000.00	850,000.00	447,298.55	286,894.56		158,806.89
2014-03	Relocation of Two Stormwater Outflows				65,188.86	691,934.14	60,000.00	(697,123.00)
2014-05	Various Capital Improvements				108,753.93	333,030.88	45,000.00	(396,784.81)
2014-06,	Improvements to Mayo Park and Construction							0.00
2014-11	of a Recreation Center				44,659.42	56,845.58	59,000.00	(42,505.00)
2014-09	Closure of the Landfill						60,108.56	60,108.56
	\$ 627,187.51	\$ 2,868,750.00	\$ 5,625,265.39	\$ 1,464,283.41	\$ 5,050,953.62	\$ 1,732,815.16	\$ 1,732,815.16	\$ 2,605,965.87

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - FUNDED

Balance December 31, 2013	\$ 8,056,197.75
Decreased by:	
2014 Budget Appropriation to Pay Serial	
Bonds and Loans	<u>624,008.34</u>
Balance December 31, 2014	<u><u>\$ 7,432,189.41</u></u>

[illegible]

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2013	\$ 43,019.75
Increased by:	
Budget Appropriation:	
Receipts	<u>130,000.00</u>
	173,019.75
Decreased by:	
Appropriations to Finance Improvement	
Authorizations	<u>164,000.00</u>
Balance December 31, 2014	\$ <u><u>9,019.75</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Current Fund	Other Trust Fund	Water Operating Fund	Water Capital Fund
Balance December 31, 2013 - Due From/(Due To)	\$ <u>(614,313.00)</u>	\$ <u>120,000.00</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>(734,313.00)</u>
Increased by:					
Disbursements	4,910,953.62	905,541.87	43,000.00	218,098.75	3,744,313.00
Improvement Authorization Funded from Trust Reserve	60,108.56		60,108.56		
Grant Proceeds Deposited in Current Fund	40,000.00	40,000.00			
Total Increases	<u>5,011,062.18</u>	<u>945,541.87</u>	<u>103,108.56</u>	<u>218,098.75</u>	<u>3,744,313.00</u>
Total Increases and Balances	<u>4,396,749.18</u>	<u>1,065,541.87</u>	<u>103,108.56</u>	<u>218,098.75</u>	<u>3,010,000.00</u>
Decreased by:					
Receipts	<u>4,434,697.29</u>	<u>1,103,489.98</u>	<u>103,108.56</u>	<u>218,098.75</u>	<u>3,010,000.00</u>
Balance December 31, 2014 - Due From/(Due To)	\$ <u><u>(37,948.11)</u></u>	\$ <u><u>(37,948.11)</u></u>	\$ <u><u> </u></u>	\$ <u><u> </u></u>	\$ <u><u> </u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-8

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations		Paid or Charged	Balance Dec. 31, 2014	
		Date	Amount	Funded	Unfunded	Down Payment	Deferred Charges to Future Taxation Unfunded		Funded	Unfunded
1993-05, 1994-08, 2003-14 2000-17	Construction of Municipal Complex Repair, Replacement and Reconstruction of Bulkheading and Necessary Beach Replenishment Various Improvements to Streets and Roads	6/16/1993 3/02/1994 9/20/2000 9/18/2002	\$ 2,250,000.00 250,000.00 600,000.00 200,000.00	\$ 4,620.82	\$	\$	\$	\$	\$ 4,620.82	\$
2002-03 2002-21, 2004-11, 2008-01 2003-10, 2006-18, 2008-10, 2014-07	Renovation and/or Building Construction of the Garage Storage Area at Mayo Park Various Capital Improvements	12/04/2002 8/20/2003	90,000.00 2,070,000.00		26,431.90			500.00		26,431.90
2004-08, 2005-09 2005-05	Various Capital Improvements Road Drainage Improvement and Municipal Building Upgrades	5/19/2004 5/04/2005	600,000.00 1,220,000.00	41,085.25	3,878.24			3,428.24	41,085.25	450.00
2006-12 2006-20	Road Reconstruction and Improvements Acquisition of Vehicles and Document's Solution System	7/19/2006 9/20/2006	1,700,000.00 286,000.00	182,150.90	15,393.46			1,631.26	180,519.64	
2007-09 2008-12 2008-15	Various Roadway, Drainage and Purchase of Various Equipment Various Roadway, Drainage Improvements Purchase of Garbage Truck, Dump Truck and Various Equipment	8/15/2007 7/16/2008 8/20/2008	1,212,700.00 1,040,000.00 300,000.00	68,894.95 4,012.85				8,452.95 1,794.00	60,442.00 2,218.85	
2009-08 2009-09	Various Improvements to Streets and Roads and the Purchase of Equipment for First Aid and Fire Purchase of Furnishing and Equipment for the New Beachwood First Aid Building	8/19/2009 8/19/2009	700,000.00 120,000.00	210,052.85	6,095.76			210,052.85 4,201.99		
2009-15 2010-09	Various Capital Improvements Various Drainage Improvements and Roadway Repairs	10/21/2009 9/15/2010	50,000.00 690,000.00	12,635.23					12,635.23	
2010-11 2011-05 2011-10, 2013-11	Various Capital Improvements Various Capital Improvements Improvements to Municipal Building	11/03/2010 8/17/2011 10/05/2011 11/18/2013	295,000.00 375,000.00 65,000.00 40,845.34		220,005.90 14,966.10 95,162.46			210,617.18		9,388.72
2012-05 2012-08, 2013-01 2013-08 2014-03 2014-05 2014-06, 2014-11 2014-09	Various Capital Improvements Repairs due to Hurricane Sandy Various Capital Improvements Relocation of Two Stormwater Outflows Various Capital Improvements Improvements to Mayo Park and Construction of a Recreation Center Closure of the Landfill	7/18/2012 12/19/2012 4/17/2013 8/21/2013 7/16/2014 6/18/2014 6/18/2014 12/17/2014 12/03/2014	865,000.00 1,110,000.00 325,000.00 893,000.00 1,200,000.00 900,000.00 955,000.00 225,000.00 60,108.56	341,597.19	121,377.25 850,000.00	60,000.00 45,000.00 59,000.00 60,108.56	1,140,000.00 855,000.00 1,121,000.00	245,451.92 81,578.10 734,193.11 757,123.00 441,784.81 101,505.00	10,145.34	96,145.27
				<u>\$ 1,039,231.96</u>	<u>\$ 1,669,540.80</u>	<u>\$ 224,108.56</u>	<u>\$ 3,116,000.00</u>	<u>\$ 2,932,990.01</u>	<u>\$ 784,872.22</u>	<u>\$ 2,331,019.09</u>
	Capital Improvement Fund Other Trust Fund					\$ 164,000.00 60,108.56				
						<u>\$ 224,108.56</u>				
	Disbursements Reserve for Encumbrances							\$ 1,464,283.41 1,468,706.60		
								<u>\$ 2,932,990.01</u>		

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Outstanding Dec. 31, 2014 Amount</u>				
General Improvement	4/28/2010	\$ 9,818,000.00	4/01/2015	\$ 635,000.00	3.00%			
			4/01/2016	650,000.00	3.00%			
			4/01/2017	675,000.00	3.00%			
			4/01/2018	695,000.00	3.50%			
			4/01/2019	720,000.00	3.50%			
			4/01/2020	750,000.00	3.60%			
			4/01/2021	775,000.00	3.625%			
			4/01/2022	810,000.00	4.00%			
			4/01/2023	840,000.00	4.00%			
			4/01/2024	873,000.00	4.00%	\$ 8,038,000.00	\$ 615,000.00	\$ 7,423,000.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF LOANS PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2014</u>
			<u>Outstanding Dec. 31, 2014</u>					
			<u>Date</u>	<u>Amount</u>				
Green Trust Loan	6/30/1995	\$ 150,000.00	March 2015	\$ 4,571.85	2.00%	\$ 18,197.75	\$ 9,008.34	\$ 9,189.41
			September 2015	4,617.56				

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Issued</u>	<u>Paid by Cash on Hand</u>	<u>Balance Dec. 31, 2014</u>
2010-09	Various Drainage Improvements and Roadway Repairs	3/11/2014	3/11/2014	3/10/2015	0.43%	\$	\$ 655,500.00	\$	\$ 655,500.00
2010-11	Various Capital Improvements	3/12/2012	3/11/2014	3/10/2015	0.43%	180,250.00			180,250.00
2011-05	Various Capital Improvements	3/12/2012	3/11/2014	3/10/2015	0.43%	356,250.00			356,250.00
2012-05	Various Capital Improvements	3/11/2013	3/11/2014	3/10/2015	0.43%	821,750.00		120,000.00	701,750.00
2012-08	Repairs Due to Hurricane Sandy	3/11/2014	3/11/2014	3/10/2015	0.43%		1,054,500.00		1,054,500.00
2013-01	Repairs Due to Hurricane Sandy	3/11/2014	3/11/2014	3/10/2015	0.43%		308,750.00		308,750.00
2013-08	Various Capital Improvements	3/11/2014	3/11/2014	3/10/2015	0.43%		850,000.00		850,000.00
						<u>\$ 1,358,250.00</u>	<u>\$ 2,868,750.00</u>	<u>\$ 120,000.00</u>	<u>\$ 4,107,000.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>
2002-21	Renovation and/or Building Construction of the Garage Storage Area at Mayo Park	\$ 26,431.90
2014-03	Relocation of Two Stormwater Outflows	1,140,000.00
2014-05	Various Capital Improvements	855,000.00
2014-06, 2014-11	Improvements to Mayo Park and Construction of a Recreation Center	<u>1,121,000.00</u>
		<u>\$ 3,142,431.90</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY FUND

Exhibit D-5

SCHEDULE OF WATER UTILITY CASH

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	\$ 711,674.34	\$ 1,393,269.87
Increased by Receipts:		
Consumer Accounts Receivable	\$ 1,501,527.80	\$
Fire Hydrant Service	12,600.00	
Miscellaneous Revenue	43,079.97	
Prepaid Rents	52,069.93	
Rent Overpayments	99.01	
Interfunds	1,221,826.64	1,234,313.00
Capital Improvement Fund		2,900.00
	<u>2,831,203.35</u>	<u>1,237,213.00</u>
	3,542,877.69	2,630,482.87
Decreased by Disbursements:		
Budget Appropriations	1,672,922.17	
Appropriation Reserves	44,653.79	
Accounts Payable	19,500.00	
Accrued Interest on Bonds, Loans and Notes	200,543.89	
Interfunds	23,665.31	1,221,826.64
Improvement Authorizations		389,407.88
	<u>1,961,285.16</u>	<u>1,611,234.52</u>
Balance December 31, 2014	\$ <u>1,581,592.53</u>	\$ <u>1,019,248.35</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-6

ANALYSIS OF CASH

		Balance	Receipts	Disbursements		Transfers		Balance
		Dec. 31, 2013	Miscellaneous	Improvement	Miscellaneous	From	To	Dec. 31, 2014
		\$	\$	\$	\$	\$	\$	\$
Fund Balance		52,700.54						52,700.54
Capital Improvement Fund		57,350.00	2,900.00					60,250.00
Loans Receivable		(494,960.00)						(494,960.00)
Reserve for Encumbrances							183,594.37	183,594.37
Interfunds:								
General Capital Fund		(734,313.00)	1,234,313.00			500,000.00		
Water Utility Operating Fund		1,221,826.64			1,221,826.64			
Improvement Authorizations:								
<u>Ordinance</u>	<u>Improvement Description</u>							
<u>Number</u>								
2001-14	Construction and Installation of a New Well							
	Number 7 and Related Expenses	114,218.22						114,218.22
2003-09, 2006-09	Water Utility Improvements	38,953.00				27,899.65		11,053.35
2004-09, 2006-10	Water Utility Improvements	38,137.73				6,863.46		31,274.27
2006-14, 2008-07	Construction of Storage Tank and Related							
	Equipment	465,325.58				3,335.64		461,989.94
2007-12	Replacement of Water Mains - Nautilus Street	14,385.00						14,385.00
2009-10	Water Utility Improvements	4,489.00				4,489.00		
2010-10	Replacement of Well No. 5, Replacement of Various							
	Water Mains and Related Improvements	523,027.44		48,759.63		7,192.78		467,075.03
2012-06	Water Utility Improvements	92,129.72		38,059.91		31,858.53		22,211.28
2013-07	Water Utility Improvements			302,588.34		98,575.52	500,000.00	98,836.14
2014-04	Water Utility Improvements					3,379.79		(3,379.79)
		<u>\$ 1,393,269.87</u>	<u>\$ 1,237,213.00</u>	<u>\$ 389,407.88</u>	<u>\$ 1,221,826.64</u>	<u>\$ 683,594.37</u>	<u>\$ 683,594.37</u>	<u>\$ 1,019,248.35</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-7

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2013		\$ 172,791.23
Increased by:		
2014 Water Rents		<u>1,514,835.30</u>
		1,687,626.53
Decreased by:		
Prepaid Rents	\$ 34,263.41	
Overpayments Applied	124.47	
Cancellations	1,462.58	
Collections	<u>1,501,527.80</u>	
		<u>1,537,378.26</u>
Balance December 31, 2014		\$ <u><u>150,248.27</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-8

SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2014
Fixed Capital not Identified from 1949 Audit Report	\$ 139,108.89
Distribution Mains and Accessories	901,421.96
Pumping Stations and Structures	10,513.85
Springs, Wells and Treatment Plant	24,821.20
Fire Hydrants	9,642.96
Pipe Fittings, Meters, etc.	814,853.73
General Equipment	66,042.69
Gasoline Power and Pumping Equipment	10,517.36
Water System Improvements	80,353.53
Water Storage Tank and Other Improvements to Water Supply and Distribution System	336,650.20
Construction of New Potable Water Well and Related Improvements to Water Supply and Distribution System	376,134.72
Construction of Water Treatment Plant	1,274,480.88
Completion of Electrical Work at Water Treatment Plant	36,916.86
Purchase of Water Utility Vehicle	19,227.54
Acquisition of Air Compressor and Heavy Duty Pick-up Truck	22,837.02
Step Van Acquisition	39,971.45
Acquisition of Backhoe	49,840.00
Acquisition of Heavy Duty Truck, Related Equipment and Cash Receipting Machine	14,670.10
Refinancing Bond Water Supply System	1,972,637.61
Extension of Water Lines	7,432.56
	<u>\$ 6,208,075.11</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-9

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u>
	<u>Number</u>	<u>Amount</u>	<u>Dec. 31, 2014</u>
Construction and Installation of a New Well Number 7 and Related Expenses	2001-14	\$ 600,000.00	\$ 600,000.00
Water Utility Improvements	2003-09, 2006-09	800,000.00	800,000.00
Water Utility Improvements	2004-09, 2006-10	600,000.00	600,000.00
Construction of Storage Tank and Related Equipment	2006-14, 2008-07	2,120,000.00	3,520,000.00
Replacement of Water Mains Nautilus Street	2007-12	300,000.00	300,000.00
Water Utility Improvements	2009-10	390,000.00	390,000.00
Replacement of Well No. 5, Replacement of Various Water Mains and Related Improvements	2010-10	1,785,000.00	1,785,000.00
Water Utility Improvements	2012-06	725,000.00	725,000.00
Water Utility Improvements	2013-07	500,000.00	500,000.00
Water Utility Improvements	2014-04	500,000.00	500,000.00
			<u>\$ 9,720,000.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-10

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 124,856.38	\$	\$ 124,856.38	\$	\$ 124,856.38
Other Expenses	100,330.85	67,510.89	167,841.74	52,134.58	115,707.16
Capital Improvements:					
Capital Outlay	121,675.00	2,800.00	124,475.00	2,719.21	121,755.79
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	1,200.00		1,200.00		1,200.00
Social Security System	10,743.38		10,743.38		10,743.38
Unemployment Compensation Insurance	100.00		100.00		100.00
	<u>\$ 358,905.61</u>	<u>\$ 70,310.89</u>	<u>\$ 429,216.50</u>	<u>\$ 54,853.79</u>	<u>\$ 374,362.71</u>
Disbursements				\$ 44,653.79	
Accounts Payable				<u>10,200.00</u>	
				<u>\$ 54,853.79</u>	

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-11

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

Balance December 31, 2013	\$ 58,217.52
Increased by Receipts:	
Budget Appropriations	<u>206,723.95</u>
	264,941.47
Decreased by:	
Disbursements	<u>200,543.89</u>
Balance December 31, 2014	\$ <u><u>64,397.58</u></u>

WATER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Exhibit D-12

Balance December 31, 2013	\$ 57,350.00
Increased by:	
2014 Budget Appropriation	<u>2,900.00</u>
Balance December 31, 2014	\$ <u><u>60,250.00</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**WATER UTILITY OPERATING FUND****Exhibit D-13****SCHEDULE OF INTERFUNDS**

	Total (Memo Only)	Water Utility Capital Fund	Payroll Fund
Balance December 31, 2013 - Due From/(Due To)	\$ <u>1,221,826.64</u>	\$ <u>1,221,826.64</u>	\$ <u> </u>
Increased by:			
Disbursements	23,665.31		23,665.31
Budget Appropriations - Employee Share of Health Benefits	<u>10,375.95</u>	<u> </u>	<u>10,375.95</u>
Total Increases	<u>34,041.26</u>	<u> </u>	<u>34,041.26</u>
Total Increases and Balances	<u>1,255,867.90</u>	<u>1,221,826.64</u>	<u>34,041.26</u>
Decreased by:			
Receipts	<u>1,221,826.64</u>	<u>1,221,826.64</u>	<u> </u>
Balance December 31, 2014 - Due From/(Due To)	\$ <u><u>34,041.26</u></u>	\$ <u><u> </u></u>	\$ <u><u>34,041.26</u></u>

WATER UTILITY CAPITAL FUND**SCHEDULE OF INTERFUNDS****Exhibit D-14**

	Total (Memo Only)	General Capital Fund	Water Utility Operating Fund
Balance December 31, 2013 - Due From/(Due To)	\$ <u>(487,513.64)</u>	\$ <u>734,313.00</u>	\$ <u>(1,221,826.64)</u>
Increased by:			
Disbursements	1,221,826.64		1,221,826.64
Bond Anticipation Notes Deposited in General Capital Fund	<u>500,000.00</u>	<u>500,000.00</u>	<u> </u>
Total Increases	<u>1,721,826.64</u>	<u>500,000.00</u>	<u>1,221,826.64</u>
Total Increases and Balances	<u>1,234,313.00</u>	<u>1,234,313.00</u>	<u> </u>
Decreased by:			
Receipts	\$ <u><u>1,234,313.00</u></u>	\$ <u><u>1,234,313.00</u></u>	\$ <u><u> </u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-15

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2013</u>		<u>2014 Authorizations</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2014</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Deferred Charges to Revenue</u>		<u>Funded</u>	<u>Unfunded</u>
2001-14	Construction and Installation of a New Well Number 7 and Related Expenses	7/18/2001	\$ 600,000.00	\$ 114,218.22	\$	\$	\$	\$ 114,218.22	\$
2003-09, 2006-09	Water Utility Improvements	8/20/2003	800,000.00	38,953.00			27,899.65	11,053.35	
2004-09, 2006-10	Water Utility Improvements	5/19/2004	600,000.00	38,137.73			6,863.46	31,274.27	
2006-14, 2008-07	Construction of Storage Tank and Related Equipment	8/16/2006	2,120,000.00						
		5/21/2008	1,400,000.00	465,325.58	116,300.00		3,335.64	461,989.94	116,300.00
2007-12	Replacement of Water Mains - Nautilus Street	10/03/2007	300,000.00	14,385.00				14,385.00	
2009-10	Water Utility Improvements	8/19/2009	390,000.00	4,489.00			4,489.00		
2010-10	Replacement of Well No. 5, Replacement of Various Water Mains and Related Improvements	9/15/2010	1,785,000.00		523,027.44		55,952.41		467,075.03
2012-06	Water Utility Improvements	7/16/2012	725,000.00		92,129.72		69,918.44		22,211.28
2013-07	Water Utility Improvements	8/21/2013	500,000.00		500,000.00		401,163.86		98,836.14
2014-04	Water Utility Improvements	6/18/2014	500,000.00			500,000.00	3,379.79		496,620.21
				<u>\$ 675,508.53</u>	<u>\$ 1,231,457.16</u>	<u>\$ 500,000.00</u>	<u>\$ 573,002.25</u>	<u>\$ 632,920.78</u>	<u>\$ 1,201,042.66</u>
	Disbursements						\$ 389,407.88		
	Reserve for Encumbrances						<u>183,594.37</u>		
							<u>\$ 573,002.25</u>		

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-16

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance December 31, 2013	\$ 5,723,880.11
Increased by:	
Debt Paid by Operating Budget:	
Serial Bonds	<u>152,850.00</u>
Balance December 31, 2014	<u>\$ 5,876,730.11</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Exhibit D-17

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2014</u>
Construction and Installation of a New Well		
Number 7 and Related Expenses	2001-14	\$ 250,351.23
Water Utility Improvements	2003-09, 2006-09	194,102.00
Water Utility Improvements	2004-09, 2006-10	145,070.00
Construction of Storage Tank and Related		
Equipment	2006-14, 2008-11	614,325.11
Replacement of Water Mains - Nautilus Street	2007-12	49,800.00
Water Utility Improvements	2009-10	<u>62,250.00</u>
		<u>\$ 1,315,898.34</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-18

SCHEDULE OF WATER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2014</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds	5/01/1989	\$ 1,550,000.00				\$ 135,000.00	\$ 135,000.00	\$
Water Utility	4/28/2010	2,560,000.00	4/01/2015	\$ 110,000.00	3.00%			
			4/01/2016-17	115,000.00	3.00%			
			4/01/2018	120,000.00	3.50%			
			4/01/2019	125,000.00	3.50%			
			4/01/2020	130,000.00	3.60%			
			4/01/2021	135,000.00	3.625%			
			4/01/2022	140,000.00	4.00%			
			4/01/2023	145,000.00	4.00%			
			4/01/2024	150,000.00	4.00%			
			4/01/2026	325,000.00	4.00%			
			4/01/2029	535,000.00	4.15%	<u>2,250,000.00</u>	<u>105,000.00</u>	<u>2,145,000.00</u>
						<u>\$ 2,385,000.00</u>	<u>\$ 240,000.00</u>	<u>\$ 2,145,000.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-19

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding December 31, 2014</u>		<u>Interest Rates</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2014</u>
			<u>Year</u>	<u>Amount</u>				
Water System	2004	\$ 290,000.00	2015-16	\$ 15,000.00	4.00%			
			2017-18	15,000.00	5.00%			
			2019-22	20,000.00	5.00%			
			2023	20,000.00	4.25%			
			2024	25,000.00	4.375%	\$ 200,000.00	\$ 15,000.00	\$ 185,000.00
Water System	2008	1,700,000.00	2015	70,000.00	5.00%			
			2016	75,000.00	5.00%			
			2017	80,000.00	5.00%			
			2018	85,000.00	5.00%			
			2019	90,000.00	5.25%			
			2020	95,000.00	5.50%			
			2021	100,000.00	5.50%			
			2022	105,000.00	5.50%			
			2023	110,000.00	5.50%			
			2024	115,000.00	5.00%			
			2025	120,000.00	5.00%			
			2026	125,000.00	5.00%			
			2027	135,000.00	5.00%			
			2028	135,000.00	5.00%			
						<u>1,510,000.00</u>	<u>70,000.00</u>	<u>1,440,000.00</u>
						<u>\$ 1,710,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ 1,625,000.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-20

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE FUND LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding December 31, 2014</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2014</u>
			<u>Year</u>	<u>Amount</u>				
Water System	2004	\$ 292,644.00	2015	\$ 15,131.46				
			2016	14,747.47				
			2017	14,363.48				
			2018	13,883.50				
			2019	16,603.53				
			2020	15,963.43				
			2021	15,323.45				
			2022	14,683.47				
			2023	14,043.50				
			2024	16,699.48	0.00%	\$ 166,958.21	\$ 15,515.44	\$ 151,442.77
Water System	2008	1,503,700.00	2015	83,389.97				
			2016	84,256.95				
			2017	84,979.44				
			2018	85,557.44				
			2019	85,990.93				
			2020	86,149.88				
			2021	86,019.84				
			2022	85,730.83				
			2023	85,282.90				
			2024	84,676.00				
			2025	84,242.51				
			2026	83,664.51				
			2027	85,831.99				
			2028	81,930.70	0.00%	1,273,116.83	85,412.94	1,187,703.89
						\$ 1,440,075.04	\$ 100,928.38	\$ 1,339,146.66

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-21

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Issued</u>	<u>Balance Dec. 31, 2014</u>
2010-10	Replacement of Well No. 5, Replacement of Various Water Mains and Related Improvements	3/12/2012	3/11/2014	3/10/2015	0.43%	\$ 1,785,000.00	\$	\$ 1,785,000.00
2012-06	Water Utility Improvements	3/11/2013	3/11/2014	3/10/2015	0.43%	725,000.00		725,000.00
2013-07	Water Utility Improvements	3/11/2014	3/11/2014	3/10/2015	0.43%		500,000.00	500,000.00
						<u>\$ 2,510,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 3,010,000.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-22

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>
2006-14, 2008-07	Construction of Storage Tank and Related Equipment	\$ 116,300.00
2014-04	Water Utility Improvements	500,000.00
		<u>\$ 616,300.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

PAYROLL FUND

Exhibit G-1

SCHEDULE OF CASH - TREASURER

Balance December 31, 2013		\$ 5,746.76
Increased by:		
Deposits for Net Pay	\$ 2,355,816.85	
Payroll Deductions	2,195,814.06	
Interfunds:		
Current Fund	124,007.67	
Water-Sewer Utility Operating Fund	<u>23,665.31</u>	
		<u>4,699,303.89</u>
		4,705,050.65
Decreased by:		
Net Pay	2,355,816.85	
Payroll Deductions Payable	2,092,985.98	
Interfund - Current Fund	32.24	
Other	<u>42,235.37</u>	
		<u>4,491,070.44</u>
Balance December 31, 2014		\$ <u><u>213,980.21</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

PAYROLL FUND

Exhibit G-2

ANALYSIS OF CASH

	Balance Dec. 31, 2013	Increased by Payroll Deductions	Decreased by Payments	Transfers	Balance Dec. 31, 2014
Federal Taxes	\$	\$ 1,020,315.52	\$ 1,020,315.52	\$	\$
Garnishee		58,885.78	58,885.78		
Deferred Compensation and Insurance		48,094.07	48,094.07		
Health Benefits		103,759.53		(103,759.53)	
N.J. Gross Income Tax		117,492.27	117,492.27		
Net Pay		2,355,816.85	2,355,816.85		
Police and Firemen's Retirement System	2,830.72	443,823.89	443,822.44	(1,500.00)	1,332.17
Public Employees' Retirement System	(22.73)	352,680.98	353,751.52	1,500.00	406.73
Defined Retirement	157.80	621.11	621.11		157.80
State Unemployment and Disability		27,879.49	27,741.85		137.64
Flexible Spending		499.92	499.92		
Union Dues		21,761.50	21,761.50		
	<u>2,965.79</u>	<u>4,551,630.91</u>	<u>4,448,802.83</u>	<u>(103,759.53)</u>	<u>2,034.34</u>
Other:					
Interfunds:					
Current Fund	2,780.97	124,007.67	32.24	93,383.58	220,139.98
Water-Sewer Utility Operating Fund		23,665.31		10,375.95	34,041.26
Prepaid Employee Taxes			42,235.37		(42,235.37)
	<u>\$ 5,746.76</u>	<u>\$ 4,699,303.89</u>	<u>\$ 4,491,070.44</u>	<u>\$</u>	<u>\$ 213,980.21</u>

BOROUGH OF BEACHWOOD

PART III

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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE FOR THE
YEAR ENDED DECEMBER 31, 2014

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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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 Beachwood
County of Ocean
Beachwood, New Jersey 08722

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various individual funds and account groups of the Borough of Beachwood, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon June 30, 2015. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Beachwood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory financial statements, we considered the Borough's 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 Borough's internal control.

SUPLEE, CLOONEY & COMPANY

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 regulatory 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*. However, there was an immaterial instance of noncompliance which is discussed in Part IV, General Comments and Recommendations Section of the audit report.

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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 30, 2015

SCHEDULE 1

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL C.F.D.A. NUMBER</u>	<u>PASS THROUGH GRANTORS NUMBER</u>	<u>GRANT PERIOD FROM TO</u>	<u>GRANT AWARD AMOUNT</u>	<u>2014 FUNDS RECEIVED</u>	<u>2014 EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2014</u>
<u>DEPARTMENT OF TRANSPORTATION</u>							
Pass-Through:							
Highway Planning and Construction	20.205	480-078-6320-ALC-609162	2012 FY	160,000.00	\$ <u>40,000.00</u>	\$ _____	\$ <u>160,000.00</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>							
Pass-Through:							
New Jersey Department of Law and Public Safety							
Public Assistance							
Super Storm Sandy	97.036	100-066-1200-A92-068280	2012 FY	1,173,836.65	<u>1,077,051.61</u>	_____	<u>1,173,836.65</u>
Total Federal Assistance					\$ <u><u>1,117,051.61</u></u>	\$ <u>_____</u>	\$ <u><u>1,333,836.65</u></u>

SCHEDULE 2

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2014

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2014 FUNDS RECEIVED	2014 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2014
		FROM	TO				
<u>Department of Environmental Protection:</u>							
Clean Communities Program:							
Prior	765-042-4900-004-178910	Prior Years	Completion	\$ 57,447.02	\$	\$ 21,575.37	\$ 21,575.37
2014	765-042-4900-004-178910	01/01/14	Completion	19,077.63	19,077.63	21,575.37	21,575.37
					<u>19,077.63</u>	<u>21,575.37</u>	<u>21,575.37</u>
<u>Department of Law and Public Safety:</u>							
Drunk Driving Enforcement Fund:							
Prior	100-078-6400-001-YYYY-xxxx	Prior Years	Completion	14,098.31		1,687.74	1,687.74
2014	100-078-6400-001-YYYY-xxxx	01/01/14	Completion	4,435.60	4,435.60		
Body Armor Replacement Fund:							
Prior	718-066-1020-001-090160	Prior Years	Completion	4,080.23		2,598.00	2,598.00
2013	718-066-1020-001-090160	01/01/13	Completion	2,554.97			
2014	718-066-1020-001-090160	01/01/14	Completion	2,018.32	2,018.32		
Safe and Secure Communities Program:							
Prior	100-066-1020-232-090940	Prior Years	Completion	60,000.00	15,000.00		60,000.00
2014	100-066-1020-232-090940	01/01/14	Completion	60,000.00	60,000.00	60,000.00	60,000.00
					<u>81,453.92</u>	<u>64,285.74</u>	<u>124,285.74</u>
<u>Department of Community Affairs</u>							
Alcohol Education and Rehabilitation Fund:							
Prior	760-098-9735-001-060000	Prior Years	Completion	1,402.89			
2014	760-098-9735-001-060000	01/01/14	Completion	472.64	472.64		
					<u>472.64</u>		
<u>Department of Health</u>							
Municipal Alliance							
Prior	100-046-4230-024-JJJJ-6310	Prior Years	Completion	14,998.51	8,393.84		14,998.51
2014		01/01/14	Completion	7,500.00	7,500.00	7,500.00	7,500.00
2014-15	100-046-4230-024-JJJJ-6310	01/01/14	Completion	27,645.00		13,435.00	13,435.00
					<u>15,893.84</u>	<u>20,935.00</u>	<u>35,933.51</u>
Total State Assistance					\$ 116,898.03	\$ 106,796.11	\$ 181,794.62

BOROUGH OF BEACHWOOD

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2014

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Borough of Beachwood, County of Ocean, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal 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. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exceptions, is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in the Current, Grant and General Capital Funds.

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 40,000.00	\$	\$	\$ 40,000.00
Grant Fund		116,898.03		116,898.03
General Capital Fund	<u>1,077,051.61</u>	<u></u>	<u></u>	<u>1,077,051.61</u>
	<u>\$ 1,117,051.61</u>	<u>\$ 116,898.03</u>	<u>\$ 0.00</u>	<u>\$ 1,233,949.64</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$	\$ 15,000.00	\$	\$ 15,000.00
Grant Fund	<u></u>	<u>91,796.11</u>	<u>5,234.11</u>	<u>97,030.22</u>
	<u>\$ 0.00</u>	<u>\$ 106,796.11</u>	<u>\$ 5,234.11</u>	<u>\$ 112,030.22</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedules.

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BOROUGH OF BEACHWOOD

PART IV

GENERAL COMMENTS

FOLLOW-UP OF PRIOR YEAR FINDINGS

FINDINGS/RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only 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 amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (40A:11-3), except by contract or agreement.

Effective January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500.00 or up to \$36,000.00 if the entity has a Qualified Purchasing Agent.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

Water Main Replacement Ship Avenue
Furnishing and Installation of Security Camera
Various Drainage Improvements
Fireworks for July 4th
Gasoline and Diesel Fuel
DOT Project - Anchor Avenue and Nautilus Street
EIT Project – Beachwood Beach Outfall Relocation

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

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

Architectural Services
Auditor
Bond Counsel
Engineering Services (General, Planning and Affordable Housing)

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4) (CONTINUED)

Financial Advisor
Legal Services (General and Labor)
Municipal Prosecutor
Police Officer Training
Public Defender

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 2, 2014 adopted the following resolutions authorizing interest to be charged on delinquent taxes and assessments:

BE IT RESOLVED by the Mayor and Council of Beachwood that the rate of interest to be charged on delinquent taxes and assessments is to be 8% on the first \$1,500.00 and 18% on any amount thereafter. Any amount sold on tax sale is to be charged the entire 18% for the full amount.

BE IT FURTHER RESOLVED that the rate of interest on delinquent water bills is to be 18% per state statute.

BE IT FURTHER RESOLVED that the grace period allowed for payment of interest shall not exceed 10 calendar days of the due date and thereafter. The interest shall be charged from the date due to the date paid.

BE IT RESOLVED by the Mayor and Council of the Borough of Beachwood, County of Ocean and State of New Jersey, that in accordance with the amendment to N.J.S.A. 54:4-67, the Tax Collector is hereby authorized to charge an additional penalty of 6% for any delinquency that remains in arrears past December 31, 2014 that is in excess of \$10,000.00.

It appears from an examination of the Collector's and Water Utility Clerk's records that interest was collected in accordance with the foregoing resolution.

TAX TITLE LIENS

The last tax sale was held on Nov. 21, 2014 and was complete.

An examination of the tax sale certificates revealed all certificates were on file and available for audit.

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

TAX TITLE LIENS (CONTINUED)

<u>YEAR</u>	<u>NUMBER</u>
2014	32
2013	32
2012	32
2011	32
2010	4

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>TYPE</u>	
Payments of 2014 Taxes	50
Delinquent Taxes	50
Payment of Water Utility Rents	50
Delinquent Water Utility Rents	50

FOLLOW-UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings.

There were two, (2) findings identified in the 2013 audit of the Borough. None, (0) of the two, (2) findings were considered to be material weaknesses. As to whether the findings were resolved in 2014, the Borough did not take corrective action on one, (1) of the 2013 audit findings in 2014. This finding appears as a Finding for the period under audit. The second finding in the 2013 audit appears to have been resolved satisfactorily.

OTHER COMMENTS

Other Post-employment Benefits

The Borough did not have the required information available for the note disclosure on Other Post-employment Benefits. GASB Statement #45 requires that certain information pertaining to Other Post-employment Benefits be included in the Notes to the Financial Statements. However, it is Management's belief that the cost to compile the information necessary to make the disclosure would far outweigh any benefit derived from the making of the disclosure itself.

RECOMMENDATIONS

*That disclosures required by GASB Statement #45 be prepared and included in the Notes to the Financial Statements.

*Unresolved 2013 Audit Recommendation

