

BOROUGH OF LAKEHURST
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2014

**BOROUGH OF LAKEHURST
COUNTY OF OCEAN**

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**BOROUGH OF LAKEHURST
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Lakehurst
County of Ocean
Lakehurst, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Borough of Lakehurst, County of Ocean, State of New Jersey as of December 31, 2014 and 2013 and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 discussed in Note 1 to the financial statements, the Borough of Lakehurst prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Lakehurst, County of Ocean, State of New Jersey, as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Borough of Lakehurst, County of Ocean, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance --regulatory basis of such funds for the year then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2015, on our consideration of the Borough of Lakehurst's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Lakehurst's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR 498

June 24, 2015
Medford, New Jersey



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*

The Honorable Mayor and Members
of the Borough Council
Borough of Lakehurst
County of Ocean
Lakehurst, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Lakehurst (herein referred to as “the Borough”), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated June 24, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United State, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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 Borough'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.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR 498

June 24, 2015
Medford, New Jersey

BASIC FINANCIAL STATEMENTS

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BOROUGH OF LAKEHURST - COUNTY OF OCEAN

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 1 of 2

DECEMBER 31, 2014 AND 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash - Treasurer	A-4	\$ 1,718,898.77	\$ 1,660,533.58
Cash - Change Fund		420.00	420.00
		<u>1,719,318.77</u>	<u>1,660,953.58</u>
Due From State of N.J. (P.L. 1971, C. 20)	A-7	<u>115.00</u>	
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	105,636.98	106,761.11
Tax Title Liens Receivable	A-6	40,237.72	36,918.37
Property Acquired for Taxes		50,000.00	50,000.00
Revenue Accounts Receivable	A-8	10,647.44	13,434.45
Interfunds:			
Animal Control Trust Fund	A-13	911.31	
Payroll Fund	A-13	11,183.09	11,183.09
Water-Sewer Utility Operating Fund	A-13	24,643.38	3,742.09
Grant Fund	A-13		
		<u>243,259.92</u>	<u>222,039.11</u>
Deferred Charges:			
Special Emergency Authorizations (N.J.S. 40A:4-55)	A-9		60,000.00
		<u>1,962,693.69</u>	<u>1,942,992.69</u>
Grant Fund:			
Grants Receivable	A-15	15,758.28	106,177.80
Interfunds:			
Current Fund	A-14	49,994.83	28,927.47
		<u>65,753.11</u>	<u>135,105.27</u>
		<u>\$ 2,028,446.80</u>	<u>\$ 2,078,097.96</u>

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

BOROUGH OF LAKEHURST - 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>			
Liabilities:			
Appropriation Reserves	A-3	\$ 275,256.93	\$ 256,527.84
Reserve for Encumbrances	A-3,10	23,105.63	28,981.10
Due To State of NJ (Ch. 20, P.L. 1971)	A-7		750.00
Due State - Marriage License Fees		50.00	25.00
Prepaid Taxes	A-4,5	31,103.08	34,709.94
Tax Overpayments	A-1,4,5	9,728.43	2,831.64
Reserve for:			
Master Plan Update		594.66	594.66
Revision and Codification of Ordinances		9,085.00	9,085.00
Land Sale Deposits		8,500.00	8,500.00
Revaluation	A-4	32,933.67	45,099.67
2012 Storm Damage		24.52	24.52
Accounts Payable	A-4, A-10	903.34	743.71
County Taxes Payable	A-11	1,104.70	
Local District School Tax Payable	A-12	229,104.00	212,916.50
Interfunds:			
Other Trust Fund	A-13	37,608.27	41,384.18
General Capital Fund	A-13	23,477.49	24,469.57
Grant Fund	A-14	49,994.83	28,927.47
		<u>732,574.55</u>	<u>695,570.80</u>
Reserve for Receivables and Other Assets		243,259.92	222,039.11
Fund Balance	A-1	986,859.22	1,025,382.78
		<u>1,962,693.69</u>	<u>1,942,992.69</u>
Grant Fund:			
Reserve for Encumbrances	A-16	10,888.75	464.94
Appropriated Reserves	A-16	44,043.11	128,222.13
Unappropriated Reserves	A-17	10,821.25	6,418.20
		<u>65,753.11</u>	<u>135,105.27</u>
		<u>\$ 2,028,446.80</u>	<u>\$ 2,078,097.96</u>

There was deferred school taxes on December 31, 2014 and 2013 of \$500,749.00 (Schedule A-12).

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-1

STATEMENT OF OPERATIONS AND CHANGE IN

FUND BALANCE - REGULATORY BASIS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 725,000.00	\$ 700,000.00
Miscellaneous Revenue Anticipated	A-2	1,067,686.72	1,075,200.59
Receipts from Delinquent Taxes	A-2	107,059.55	108,822.68
Receipts from Current Taxes	A-2	3,980,517.89	3,911,877.55
Non-Budget Revenues	A-2	223,646.82	206,238.83
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	177,693.31	200,400.56
Tax Overpayments Cancelled	A-10		1,794.78
Interfunds Returned			3,677.80
Grant Appropriated Reserves-Cancelled	A-14	87,575.11	
Statutory Excess-Animal Control Trust Fund	A-13	911.31	
Total Income		<u>6,370,090.71</u>	<u>6,208,012.79</u>
<u>Expenditures</u>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		1,476,900.00	1,433,450.00
Other Expenses		1,390,475.00	1,336,899.00
Deferred Charges and Statutory Expenditures		293,100.00	287,829.00
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		72,000.00	30,000.00
Other Expenses		74,009.88	187,219.54
Capital Improvements		1,000.00	74,000.00
Municipal Debt Service		325,097.87	238,966.86
Deferred Charges		83,916.52	32,100.00
Transferred to Board of Education		8,409.00	8,673.00
	A-3	<u>3,724,908.27</u>	<u>3,629,137.40</u>
Prior Year Senior Citizen Deduction Disallowed	A-7	1,500.00	1,000.00
County Taxes	A-11	640,359.44	782,585.00
Local District School Tax	A-12	1,184,257.00	1,160,618.00
Prior Year Tax Appeals		7,310.37	
Interfund Advances		21,812.60	
Grant Receivables-Cancelled	A-14	101,294.59	
Refunds	A-4	2,172.00	
Total Expenditures		<u>5,683,614.27</u>	<u>5,573,340.40</u>
Excess in Revenue		686,476.44	634,672.39
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3,9		60,000.00
Statutory Excess to Fund Balance		686,476.44	694,672.39
Fund Balance January 1	A	1,025,382.78	1,030,710.39
		<u>1,711,859.22</u>	<u>1,725,382.78</u>
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>725,000.00</u>	<u>700,000.00</u>
Fund Balance December 31	A	<u>\$ 986,859.22</u>	<u>\$ 1,025,382.78</u>

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 1 of 3

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>A-1</u>	<u>\$ 725,000.00</u>	<u>\$ 725,000.00</u>	<u>\$</u>
Fund Balance Anticipated				
<u>Miscellaneous Revenues</u>				
Licenses				
Alcoholic Beverages	A-8	10,000.00	15,300.00	5,300.00
Other	A-8	6,000.00	9,025.00	3,025.00
Fees and Permits				
Other	A-8	70,000.00	93,524.87	23,524.87
Fines and Costs				
Municipal Court	A-8	160,000.00	194,875.17	34,875.17
Interest and Costs on Taxes	A-8	17,000.00	24,786.09	7,786.09
Interest on Investments and Deposits	A-8	500.00	1,743.06	1,243.06
State Aid:				
Consolidated Municipal Property Tax Relief Act	A-8	46,493.00	46,493.00	
Energy Receipts Tax	A-8	248,946.00	248,946.00	
Uniform Construction Code Fees	A-8	1,000.00	4,736.80	3,736.80
Lakehurst Elementary School - Police Service Contract	A-8	20,000.00	20,000.00	
Northeast Housing LLC - Borough of Lakehurst	A-8	160,000.00	276,932.10	116,932.10
Northeast Housing LLC - Borough of Lakehurst		85,000.00	85,000.00	
Uniform Fire Safety Act		6,000.00	6,314.75	314.75
Grants Offset with Appropriations:				
966 Grant				
Body Armor Grant	A-14	17,448.88	17,448.88	
Clean Communities Program	A-14	2,786.65	2,786.65	
Click it or Ticket	A-14	4,048.19	4,048.19	
Cops in Shops	A-14	4,000.00	4,000.00	
Drive Sober or Get Pulled Over	A-14	1,600.00	1,600.00	
Recycling Tonnage Grant	A-14	5,000.00	5,000.00	
Municipal Alcohol Education/Rehabilitation Program	A-14	4,889.84	4,889.84	
Total Miscellaneous Revenues	A-1	<u>870,948.88</u>	<u>1,067,686.72</u>	<u>196,737.84</u>

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

BOROUGH OF LAKEHURST - 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>Realized</u>	<u>Excess or (Deficit)</u>
Receipts from Delinquent Taxes	A-1, 2	\$ 90,000.00	\$ 107,059.55	\$ 17,059.55
Subtotal General Revenues		1,685,948.88	1,899,746.27	213,797.39
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	A-2	2,262,664.18	2,323,994.11	61,329.93
Total General Revenues		3,948,613.06	4,223,740.38	275,127.32
Non-Budget Revenues	A-1, 2		223,646.82	223,646.82
	A-3	\$ 3,948,613.06	\$ 4,447,387.20	\$ 498,774.14

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 3 of 3

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
<u>Allocation of Current Tax Collections</u>		
Revenue from Collections	A-1,5	\$ 3,980,517.89
Allocated to School and County Taxes	A-11,12	1,824,616.44
Balance or Support of Municipal Budget Appropriations		<u>2,155,901.45</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>168,092.66</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 2,323,994.11</u></u>
 <u>Analysis of Non-Budget Revenues</u>		
Clerk		\$ 5,264.80
Police		3,893.17
Tax Collector		1,994.39
Recycling		2,482.90
Water Tower Lease		125,682.30
Insurance Reimbursements		22,885.77
Refunds		10,343.46
Plumsted Municipal Court		17,600.00
NJ DMV Inspection Fines		4,996.50
Sale of Municipal Assets		28,235.05
Other Miscellaneous		<u>268.48</u>
	A-1,4	<u><u>\$ 223,646.82</u></u>

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

Exhibit A-3

Sheet 1 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>OPERATIONS WITHIN CAPS</u>					
<u>General Government</u>					
Administrative and Executive					
Salaries and Wages	\$ 100.00	\$ 100.00	\$	\$ 100.00	\$
Other Expenses	4,900.00	4,900.00	3,329.00	1,571.00	
Mayor and Council					
Salaries and Wages	33,000.00	33,000.00	32,971.50	28.50	
Other Expenses	2,500.00	2,500.00	694.99	805.01	1,000.00
Municipal Clerk					
Salaries and Wages	92,500.00	92,500.00	92,404.53	95.47	
Other Expenses	25,000.00	25,000.00	23,937.82	1,062.18	
Financial Administration					
Salaries and Wages	104,100.00	104,100.00	102,387.29	1,712.71	
Other Expenses	22,500.00	20,500.00	15,002.30	5,497.70	
Audit Services					
Other Expenses	38,000.00	43,000.00	38,000.00	5,000.00	
Collection of Taxes					
Salaries and Wages	80,000.00	80,000.00	78,857.04	1,142.96	
Other Expenses	9,500.00	9,500.00	5,822.52	2,677.48	1,000.00
Assessment of Taxes					
Salaries and Wages	13,400.00	13,400.00	13,227.95	172.05	
Other Expenses	6,000.00	4,000.00	1,579.87	1,420.13	1,000.00
Revaluation					
Legal Services and Costs					
Salaries and Wages	31,000.00	31,000.00	27,295.16	3,704.84	
Other Expenses	25,000.00	37,000.00	29,127.00	7,873.00	
Engineering Services and Costs					
Other Expenses	8,000.00	6,000.00	265.00	5,735.00	
Historical Preservation					
Other Expenses	450.00	450.00		450.00	

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 2 of 7

	<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>Land Use Administration</u>					
Municipal Land Use Law (N.J.S. 40:55D-1)	\$	\$	\$	\$	\$
Land Use Board	4,600.00	4,600.00	4,500.00	100.00	
Salaries and Wages	450.00	450.00	358.90	91.10	
Other Expenses					
<u>Code Enforcement and Administration</u>					
Code Enforcement	5,000.00	5,000.00	4,716.40	283.60	
Salaries and Wages	500.00	500.00		500.00	
Other Expenses					
County Rebate	2,900.00	2,900.00	1,461.49	1,438.51	
<u>Insurance</u>					
General Liability	56,000.00	56,000.00	54,574.53	1,425.47	
Workers Compensation	82,000.00	82,000.00	64,854.77	2,145.23	
Employee Group Health	523,875.00	547,875.00	485,848.88	62,026.12	15,000.00
Health Benefits Waiver	10,000.00	1,000.00		1,000.00	
<u>Public Safety Functions</u>					
Police					
Salaries and Wages	758,200.00	745,200.00	733,485.77	11,714.23	
Other Expenses	52,000.00	57,000.00	53,330.26	3,669.74	
Emergency Management					
Salaries and Wages	4,400.00	4,400.00	3,130.20	1,269.80	
Other Expenses	1,500.00	1,500.00	214.82	1,285.18	
Emergency Medical Services					
Other Expenses	20,000.00	20,000.00	19,870.00	130.00	
Uniform Safety Act					
Salaries and Wages	8,100.00	8,100.00	7,965.36	134.64	
Other Expenses	500.00	500.00		500.00	

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 3 of 7

	<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	\$ 100,000.00	\$ 100,000.00	\$ 81,057.20	\$ 18,942.80	\$
Other Expenses	12,000.00	11,000.00	5,435.65	5,564.35	
Fire					
Other Expenses	33,500.00	33,500.00	33,500.00		
Municipal Prosecutor					
Salaries and Wages	12,500.00	12,500.00	11,538.50	961.50	
Other Expenses	100.00	100.00		100.00	
Public Defender (P.L. 1997, C. 256)					
Salaries and Wages	2,000.00	2,000.00	815.04	1,184.96	
Other Expenses	100.00	100.00		100.00	
<u>Public Works Functions</u>					
Road Repairs and Maintenance					
Salaries and Wages	45,000.00	45,000.00	26,092.64	10,907.36	8,000.00
Other Expenses	18,000.00	18,000.00	15,244.35	2,755.65	
Garbage and Trash Removal					
Salaries and Wages	117,000.00	117,000.00	97,544.21	14,455.79	5,000.00
Other Expenses	8,100.00	8,100.00	4,383.40	3,716.60	
Recycling					
Salaries and Wages	4,000.00	4,000.00		4,000.00	
Other Expenses	5,500.00	5,500.00	1,493.46	4,006.54	
Public Buildings, Grounds and Lakes					
Salaries and Wages	73,000.00	73,000.00	71,645.40	1,354.60	
Other Expenses	38,000.00	38,000.00	37,300.66	699.34	
Vehicle Maintenance					
Salaries and Wages	100.00	100.00		100.00	
Other Expenses	78,000.00	78,000.00	59,258.91	13,741.09	5,000.00
<u>Health and Human Services</u>					
Animal Control					
Other Expenses	8,000.00	8,000.00	5,420.30	2,579.70	

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 4 of 7

	<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>Park and Recreation Functions</u>					
Youth and Recreation					
Salaries and Wages	\$ 10,000.00	\$ 10,000.00	\$ 5,201.04	\$ 1,798.96	\$ 3,000.00
Other Expenses	2,500.00	2,500.00	1,257.64	1,242.36	
<u>Other Common Operating Functions</u>					
Celebration of Public Events					
Other Expenses	8,000.00	8,000.00	6,046.08	1,953.92	
<u>Utility Expenses and Bulk Purchases</u>					
Gasoline	65,000.00	57,000.00	41,467.91	10,532.09	5,000.00
Electricity	40,000.00	40,000.00	35,955.42	4,044.58	
Telephone	36,000.00	38,000.00	36,770.23	1,229.77	
Natural Gas	22,000.00	27,000.00	25,191.10	1,808.90	
Street Lighting	28,000.00	28,000.00	22,474.26	5,525.74	
Fuel Oil	8,000.00	7,000.00	6,775.68	224.32	
Telecommunications	6,000.00	6,000.00	4,926.87	1,073.13	
Landfill Disposal Cost - Other Expenses	100,000.00	85,000.00	85,000.00		
Deferred Sick Time	5,000.00	5,000.00		5,000.00	
Total Operations within Caps	<u>2,911,375.00</u>	<u>2,911,375.00</u>	<u>2,621,009.30</u>	<u>246,365.70</u>	<u>44,000.00</u>
Detail:					
Salaries and Wages	1,505,900.00	1,492,900.00	1,396,296.72	80,603.28	16,000.00
Other Expenses	1,405,475.00	1,418,475.00	1,224,712.58	165,762.42	28,000.00

STATUTORY EXPENDITURES WITHIN CAPS

Contribution to:					
Public Employees' Retirement System of New Jersey	68,500.00	68,500.00	68,392.34	107.66	
Police and Firemen's Retirement System of New Jersey	86,500.00	86,500.00	86,378.00	122.00	
Contribution to:					
Social Security System (O.A.S.I.)	125,000.00	125,000.00	111,131.14	8,868.86	5,000.00

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

Sheet 5 of 7

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Unemployment Compensation Insurance	\$ 17,600.00	\$ 17,600.00	\$ 16,143.96	\$ 1,456.04	
Defined Contribution Retirement Program	500.00	500.00		500.00	
Total Statutory Expenditures within Caps	<u>298,100.00</u>	<u>298,100.00</u>	<u>282,045.44</u>	<u>11,054.56</u>	<u>5,000.00</u>
Total Appropriations within Caps	<u>3,209,475.00</u>	<u>3,209,475.00</u>	<u>2,903,054.74</u>	<u>257,420.26</u>	<u>49,000.00</u>

OPERATIONS EXCLUDED FROM CAPS

Employee Group Health (P.L. 2007, Chap. 62)	5,000.00	5,000.00	2,130.70	2,869.30	
Recycling Fees					
Shared Service Agreements:					
Lakehurst Elementary School - Police					
Service Contract	20,000.00	20,000.00	20,000.00		
Northeast Housing LLC - Borough of Lakehurst					
Police					
Salaries and Wages	45,000.00	45,000.00	36,273.46	8,726.54	
Other Expenses	1,000.00	1,000.00	1,000.00		
Administration					
Salaries and Wages	27,000.00	27,000.00	21,337.54	5,662.46	
Other Expenses	8,000.00	8,000.00	7,421.63	578.37	

Public and Private Programs Offset by Revenues

Drive Sober or Get Pulled Over	5,000.00	5,000.00	5,000.00		
Body Armor Grant	2,786.65	2,786.65	2,786.65		
966 Grant	17,448.88	17,448.88	17,448.88		
Clean Communities Program	4,048.19	4,048.19	4,048.19		
Drunk Driving Enforcement					
Hazardous Discharge Site Remediation					
Click It or Ticket Grant	4,000.00	4,000.00	4,000.00		
Cops in Shops	1,600.00	1,600.00	1,600.00		

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 7

	<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>
Municipal Alliance					
State Share					
Local Share					
Recycling Tonnage Grant	4,889.84	4,889.84	4,889.84		
Municipal Alcohol Education/Rehabilitation Program	236.32	236.32	236.32		
Click It or Ticket Grant					
Total Operations excluded from Caps	<u>146,009.88</u>	<u>146,009.88</u>	<u>128,173.21</u>	<u>17,836.67</u>	
Detail:					
Salaries and Wages	72,000.00	72,000.00	57,611.00	14,389.00	
Other Expenses	74,009.88	74,009.88	70,562.21	3,447.67	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
Capital Improvement Fund	1,000.00	1,000.00	1,000.00		
Total Capital Improvements excluded from Caps	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>		
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>					
Payment of Bond Principal	198,900.00	198,900.00	195,975.00		2,925.00
Interest on Bonds	132,810.00	132,810.00	129,122.87		3,687.13
Total Municipal Debt Service excluded from Caps	<u>331,710.00</u>	<u>331,710.00</u>	<u>325,097.87</u>		<u>6,612.13</u>

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 7

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Unexpended Balance Cancelled</u>
	\$	\$	\$	\$	\$
<u>DEFERRED CHARGES EXCLUDED FROM CAPS</u>					
Emergency Authorizations					
Special Emergency Authorizations					
5 Years (N.J.S.A. 40A: 4-55)	60,000.00	60,000.00	60,000.00		
Deferred Charge - Ordinance 00-04	23,916.52	23,916.52	23,916.52		
Transferred to Board of Education for Use of Local Schools	8,409.00	8,409.00	8,409.00		
Total General Appropriations excluded from Caps	<u>571,045.40</u>	<u>571,045.40</u>	<u>546,596.60</u>	<u>17,836.67</u>	<u>6,612.13</u>
Subtotal General Appropriations	3,780,520.40	3,780,520.40	3,449,651.34	275,256.93	55,612.13
Reserve for Uncollected Taxes	168,092.66	168,092.66	168,092.66		
Total General Appropriations	<u>\$ 3,948,613.06</u>	<u>\$ 3,948,613.06</u>	<u>\$ 3,617,744.00</u>	<u>\$ 275,256.93</u>	<u>\$ 55,612.13</u>
<u>Ref.</u>	A-2	A-1	A	A-1	
Budget					
Appropriation (40A:4-87)		\$ 3,921,830.64			
		<u>26,782.42</u>			
		<u>\$ 3,948,613.06</u>			
Disbursements			\$ 3,302,619.31		
Reserve for Uncollected Taxes			168,092.66		
Reserve for Encumbrances			23,105.63		
Deferred Charges:					
Special Emergency Authorization Raised			60,000.00		
Interfunds:					
Capital Fund			23,916.52		
Grant Fund			<u>40,009.88</u>		
			<u>\$ 3,617,744.00</u>		

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

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BOROUGH OF LAKEHURST - COUNTY OF OCEAN

Exhibit B

BALANCE SHEET - TRUST FUND

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>4,581.11</u>	\$ <u>2,277.75</u>
<u>Trust Other Fund</u>			
Cash	B-1	335,131.35	278,022.03
Interfund - Current Fund	B-5	37,608.27	41,384.18
Community Development Block Grant Receivable	B-7		4,822.50
		<u>372,739.62</u>	<u>324,228.71</u>
		\$ <u>377,320.73</u>	\$ <u>326,506.46</u>
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Interfund - Current Fund	B-4	911.31	
Due to State of New Jersey	B-2	\$ 11.80	\$ 5.00
Reserve for Animal Control Trust Fund Expenditures	B-3	3,658.00	2,272.75
		<u>4,581.11</u>	<u>2,277.75</u>
<u>Trust Other Fund</u>			
Reserve for:			
Miscellaneous Trust Accounts	B-6	372,739.62	324,228.71
		<u>372,739.62</u>	<u>324,228.71</u>
		\$ <u>377,320.73</u>	\$ <u>326,506.46</u>

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

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BOROUGH OF LAKEHURST - COUNTY OF OCEAN

Exhibit C

BALANCE SHEET - GENERAL CAPITAL FUND

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	C-2	\$ 563,383.46	\$ 568,134.00
Grants Receivable		1,821.50	1,821.50
Deferred Charges to Future Taxation:			
Funded	C-4	4,421,768.00	4,617,743.00
Unfunded	C-5	125,754.48	149,671.00
Interfunds:			
Current Fund	C-6	23,477.49	24,469.57
Water-Sewer Utility Operating Fund	C-6		17,799.86
		<u>\$ 5,136,204.93</u>	<u>\$ 5,379,638.93</u>
<u>Liabilities and Reserves</u>			
Reserve for Payment of Bonds		\$ 500.00	\$ 500.00
Capital Improvement Fund	C-7	96,704.66	95,704.66
Improvement Authorizations:			
Funded	C-8	479,160.45	527,619.45
Unfunded	C-8	125,664.48	125,664.48
Reserve for Encumbrances	C-8	9,000.00	9,000.00
General Serial Bonds Payable	C-9	4,421,768.00	4,617,743.00
Fund Balance	C-1	<u>3,407.34</u>	<u>3,407.34</u>
		<u>\$ 5,136,204.93</u>	<u>\$ 5,379,638.93</u>

There were bonds and notes authorized but not issued on December 31, 2014 of \$125,754.48 (Schedule C-10).

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

Exhibit C-1

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Balance December 31, 2014 and 2013	<u>Ref.</u> C	\$ <u>3,407.34</u>
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The accompanying Notes to Financial statements are an integral part of this statement.

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

BALANCE SHEET - WATER-SEWER UTILITY FUND

Exhibit D
Sheet 1 of 2

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
<u>Operating Fund</u>			
Cash	D-4	\$ 648,345.08	\$ 737,212.75
Change Fund		100.00	100.00
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	45,012.50	49,142.27
Utility Liens		4,277.79	4,277.79
Total Operating Fund		<u>697,735.37</u>	<u>790,732.81</u>
<u>Capital Fund</u>			
Fixed Capital	D-7	3,474,041.08	3,474,041.08
Fixed Capital Authorized and Uncompleted	D-8	980,611.34	980,611.34
Interfund - Water-Sewer Utility Operating Fund	D-10	175,388.37	246,387.37
Total Water-Sewer Utility Capital Fund		<u>4,630,040.79</u>	<u>4,701,039.79</u>
Total Assets		\$ <u>5,327,776.16</u>	\$ <u>5,491,772.60</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Operating Fund</u>			
Liabilities:			
Reserve for Encumbrances	D-3	\$ 14,995.53	\$ 7,062.86
Appropriation Reserves	D-3	55,204.84	85,064.29
Prepaid Consumer Accounts	D-4	6,713.72	2,490.76
Accounts Payable	D-9	2,233.00	2,233.00
Interfunds:			
Current Fund	D-10	24,643.38	3,742.09
General Capital Fund	D-10		17,799.86
Water-Sewer Utility Capital Fund	D-10	175,388.37	246,387.37
Accrued Interest Payable	D-11	6,725.55	7,851.61
		<u>285,904.39</u>	<u>372,631.84</u>
Reserve for Receivables		49,290.29	53,420.06
Fund Balance	D-1	362,540.69	364,680.91
Total Operating Fund		<u>697,735.37</u>	<u>790,732.81</u>

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

BALANCE SHEET - WATER-SEWER 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</u>			
<u>Capital Fund</u>			
Liabilities:			
Improvement Authorizations:			
Funded	D-12	\$ 68,448.96	\$ 80,237.96
Unfunded	D-12	19,089.95	19,089.95
Reserve for Encumbrances	D-12		179,210.00
Capital Improvement Fund	D-13	142,588.54	22,588.54
Reserve for Amortization	D-14	2,408,685.42	2,381,178.16
Reserve for Deferred Amortization	D-15	121,750.00	61,750.00
USDA Loan Payable	D-16	916,175.00	939,657.26
Serial Bonds Payable	D-17	953,232.00	1,017,257.00
Fund Balance		70.92	70.92
Total Water-Sewer Utility Capital Fund		<u>4,630,040.79</u>	<u>4,701,039.79</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,327,776.16</u>	<u>\$ 5,491,772.60</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$54,810.00 (Exhibit D-18).

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

Exhibit D-1

WATER-SEWER UTILITY OPERATING FUND

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

REGULATORY BASIS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Revenue and Other Income Realized</u>			
Surplus Anticipated	D-2	\$ 240,898.00	\$ 150,000.00
Rents	D-2	947,906.87	969,050.82
Miscellaneous	D-2	15,894.92	4,523.97
Other Credits to Income:			
Cancel Accounts Payable			
Unexpended Balance of Appropriation Reserves	D-9	83,505.31	24,838.14
Total Income		<u>1,288,205.10</u>	<u>1,148,412.93</u>
<u>Expenditures</u>			
Operating		748,098.00	754,710.00
Capital Improvements		121,000.00	27,000.00
Debt Service		140,349.32	81,172.38
Deferred Charges and Statutory Expenditures		40,000.00	43,307.00
Total Expenditures	D-3	<u>1,049,447.32</u>	<u>906,189.38</u>
Excess in Revenue		238,757.78	242,223.55
Fund Balance January 1	D	<u>364,680.91</u>	<u>272,457.36</u>
		603,438.69	514,680.91
Decreased by:			
Utilized as Anticipated Revenue	D-2	<u>240,898.00</u>	<u>150,000.00</u>
Fund Balance December 31	D	<u>\$ 362,540.69</u>	<u>\$ 364,680.91</u>

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

Exhibit D-2

WATER-SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 240,898.00	\$ 240,898.00	\$
Rents	D-1,6	850,222.00	947,906.87	97,684.87
Miscellaneous	D-1,4	3,000.00	15,894.92	12,894.92
		<u>\$ 1,094,120.00</u>	<u>\$ 1,204,699.79</u>	<u>\$ 110,579.79</u>
	<u>Ref.</u>	D-3		
<u>Analysis of Miscellaneous Revenue</u>				
Water Department Fees Charged			\$ 11,332.00	
Interest Collected on Delinquent Rents			3,623.54	
Other Miscellaneous			<u>939.38</u>	
	D-2		<u>\$ 15,894.92</u>	

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Operating:	\$	260,000.00	\$	253,668.28	\$	2,000.00
Salaries and Wages		220,098.00		178,141.67		15,000.00
Other Expenses		10,000.00		10,000.00		10,000.00
Audit and Professional		300,000.00		264,752.40		25,000.00
Ocean County Utility Authority						
Capital Improvements:						
Capital Improvement Fund		120,000.00		120,000.00		
Capital Outlay		1,000.00				1,000.00
Debt Service:						
Payment of Bond Principal		64,025.00		64,025.00		
Interest on Bonds		23,165.00		22,492.32		672.68
USDA Loan Principal		23,482.00		23,482.00		
USDA Loan Interest		30,350.00		30,350.00		
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)		21,000.00		18,599.15		1,400.85
Public Employee's Retirement System		19,000.00		18,731.66		268.34
Unemployment Compensation Insurance		2,000.00				1,000.00
	\$	1,094,120.00	\$	994,242.48	\$	44,672.68
		D-2	D-1		D	D-1
Reserve for Encumbrances	\$			14,995.53		
Cash Disbursements				827,878.02		
Interfunds				144,643.38		
Accrued Interest on Bonds, Notes and Loans				6,725.55		
	\$			994,242.48		

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

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BOROUGH OF LAKEHURST - COUNTY OF OCEAN

BALANCE SHEET - PAYROLL FUND

Exhibit E

STATUTORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash	\$ 11,618.35	\$ 10,323.55
<u>Liabilities</u>		
Interfund - Current Fund	\$ 11,183.09	\$
Payroll Deductions Payable	435.26	13,114.87
	<u>\$ 11,618.35</u>	<u>\$ 13,114.87</u>

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

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BOROUGH OF LAKEHURST - COUNTY OF OCEAN

BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit F

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
General Fixed Assets:		
Land	\$ 1,714,100.00	\$ 1,714,100.00
Building	5,058,338.00	5,058,338.00
Furniture, Fixtures and Equipment	<u>1,669,781.00</u>	<u>1,755,372.00</u>
	<u>\$ 8,442,219.00</u>	<u>\$ 8,527,810.00</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 8,442,219.00</u>	<u>\$ 8,527,810.00</u>

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

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**BOROUGH OF LAKEHURST
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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BOROUGH OF LAKEHURST - 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 Lakehurst, 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 Boards 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.

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 - dog and cat license revenues and expenditures.

Trust Other 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. Descriptions of Funds (Continued)

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

Water-Sewer Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water-sewer capital facilities, other than those acquired through the Water-Sewer 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 - 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. The status of interfunds is set forth in Note 14.

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, which differs in certain respects from GAAP, the Borough has developed a fixed assets accounting and reporting system. Fixed assets acquired prior 1992 are based on an inspection and appraisal prepared by an independent firm. All general fixed assets acquired after 1992 are recorded at cost.

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-Sewer 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-Sewer Utility Fund are not depreciated. Principal payments for Water-Sewer Utility debt are recorded as expenditures in the Water-Sewer Utility Statement of Operations.

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

	<u>Balance</u> <u>Jan. 1, 2014</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
General Fixed Assets Account Group:			
Land and Buildings	\$ 6,772,438	\$	\$ 6,772,438
Machinery and Equipment	1,755,372	(85,591)	1,669,781
Water-Sewer Utility Fund:			
Fixed Capital	3,474,041		3,474,041
Fixed Capital Authorized and Uncompleted	<u>980,611</u>		<u>980,611</u>
	<u>\$ 12,982,462</u>	<u>\$ (85,591)</u>	<u>\$ 12,896,871</u>

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Utility Fixed Assets (Continued)

	<u>Balance</u> <u>Jan. 1, 2013</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Fixed Assets Account Group:			
Land and Buildings	\$ 6,772,438	\$	\$ 6,772,438
Machinery and Equipment	1,499,156	256,216	1,755,372
Water-Sewer Utility Fund:			
Fixed Capital	3,474,041		3,474,041
Fixed Capital Authorized and Uncompleted	<u>980,611</u>	<u> </u>	<u>980,611</u>
	<u>\$ 12,726,246</u>	<u>\$ 256,216</u>	<u>\$ 12,982,462</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 \$3,308,737 and the bank balance amount was \$3,335,496. Of this amount \$250,000 was covered by federal depository insurance, a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$3,049,877 and \$35,619 was in the State of New Jersey's Cash Management Fund.

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
- (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.

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute up to one twentieth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

At year end, carrying value of the Borough's investments and the investment balance amount was \$35,619.

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.

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	3,049,877	3,027,070
Uninsured	<u>35,619</u>	<u>35,599</u>
	\$ <u>3,335,496</u>	\$ <u>3,312,669</u>

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

E. Credit Risk Categories (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be 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

On December 31, 2014, the Borough had long-term debt as follows:

General Capital Fund

2.25% to 2.50% General Obligation Bonds Issued February 21 2013, installment maturities to March 1, 2026	\$ 1,140,000
2.00% to 4.00% General Obligation Refunding Bonds Issued May 15, 2013, installment maturities to December 1, 2040	<u>3,281,768</u>
	\$ <u>4,421,768</u>

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Water-Sewer Utility Capital Fund

3.25% U.S.D.A. Water-Sewer Loan Issued December 23, 1999, installment maturities to December 23, 2039	\$ 916,175
2.25% to 2.50% General Obligation Bonds Issued February 21, 2013, installment maturities to March 1, 2026	835,000
2.00% to 4.00% General Obligation Refunding Bonds Issued May 15, 2013, installment maturities to December 1, 2040	<u>118,232</u>
	\$ <u>1,869,407</u>

The General Capital Fund loans mature semi-annually in variable amounts to the year 2040. The Water-Sewer Utility Capital Fund loans mature serially in variable amounts to the year 2039. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>General Capital Fund</u>		<u>Water-Sewer Utility Capital Fund</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interes t</u>	
2015	\$ 200,800	\$ 125,947	\$ 64,200	\$ 22,863	\$ 413,810
2016	200,800	121,719	69,200	21,429	413,148
2017	200,800	117,490	69,200	19,882	407,372
2018	210,625	113,262	69,375	18,336	411,598
2019	215,450	108,824	69,550	16,786	410,610
2020-24	953,200	470,580	371,800	59,771	1,855,351
2025-29	842,250	287,094	182,750	18,263	1,330,357
2030-34	743,050	216,437	26,950	8,407	994,844
2035-39	328,100	108,878	11,900	4,078	452,956
2040	<u>526,693</u>	<u>21,068</u>	<u>18,307</u>	<u>732</u>	<u>566,800</u>
	\$ <u>4,421,768</u>	\$ <u>1,691,299</u>	\$ <u>953,232</u>	\$ <u>190,547</u>	\$ <u>7,256,846</u>

B. Short-term Debt

On December 31, 2014, the Borough had no outstanding bond anticipation notes.

NOTE 3. DEBT (CONTINUED)

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	\$	125,754	\$	149,671
Water-Sewer Utility Capital Fund		54,810		54,810

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 2.55%. The Borough's remaining borrower power is 0.95%

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.

E. Summary of Debt Activity

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

	<u>Balance</u> <u>Jan. 1, 2014</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
General Debt:			
Serial Bonds	\$ 4,617,743	\$ 195,975	\$ 4,421,768
Water-Sewer Utility Fund Debt:			
Serial Bonds	1,017,257	64,025	953,232
U.S.D.A. Loan Payable	939,657	23,482	916,175
	<u>\$ 6,574,657</u>	<u>\$ 283,482</u>	<u>\$ 6,291,175</u>

	<u>Balance</u> <u>Jan. 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Debt:				
Serial Bonds	\$	\$ 4,675,643	\$ 57,900	\$ 4,617,743
U.S.D.A. Rural Development Loan	2,005,813		2,005,813	
U.S.D.A. Rural Development Loan	1,361,395		1,361,395	
Bond Anticipation Notes	1,225,890		1,225,890	
Water-Sewer Utility Fund Debt:				
Serial Bonds		1,019,357	2,100	1,017,257
Farmers' Home Loan	124,357		124,357	
U.S.D.A. Loan Payable	962,422		22,765	939,657
Bond Anticipation Notes	895,000		895,000	
	<u>\$ 6,574,877</u>	<u>\$ 5,695,000</u>	<u>\$ 5,695,220</u>	<u>\$ 6,574,657</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 \$106,754 and \$95,569 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 municipal budget for the year ending December 31 of the succeeding years are as follows:

	<u>2014</u>	<u>2013</u>
Current Fund	\$ *	\$ 725,000
Water-Sewer Utility Operating Fund	*	240,898

* Pending

NOTE 6. TAXES AND WATER-SEWER CHARGES COLLECTED IN ADVANCE

Taxes and water-sewer charges 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	\$ 31,103	\$ 34,710
Prepaid Water-Sewer Charges	6,714	2,491

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, Local 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.

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONTINUED)

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 Statute 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.

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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.

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 no Borough employees enrolled in the DCRP for the years ended December 31, 2014, 2013 and 2012.

NOTE 9. PENSION PLANS (CONTINUED)

Other Information

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

	2014		2013		2012	
	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>
Normal Contribution	\$ 25,764	\$ 37,413	\$ 28,877	\$ 36,882	\$ 36,605	\$ 36,323
Accrued Liability	69,793	51,760	69,045	48,808	73,210	40,878
Total Regular Pension Contribution	95,557	89,173	97,922	85,690	109,815	77,201
Non-Contributory Group Life Insurance	1,457	3,175	5,828	3,539	6,997	2,828
Total Due	\$ <u>97,014</u>	\$ <u>92,348</u>	\$ <u>103,750</u>	\$ <u>89,229</u>	\$ <u>116,812</u>	\$ <u>80,029</u>

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

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Borough contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. On February 6, 2003, the Borough authorized participation in the SHBP's post-retirement benefit program through Resolution Number 03-054. The Borough adopted the provisions of Chapter 88, P.L. 1974 that provides medical benefits to any employee who has over 25 years of pension service credit.

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

Funding Policy

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

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Funding Policy (Continued)

Contributions to pay for health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis.

The Borough contributions to SHBP for the years ended December 31, 2014, 2013 and 2012 were \$137,954, \$150,270 and \$120,563, respectively, which equaled the required contributions for each year. There were approximately 7 retired participants eligible at December 31, 2014, 2013 and 2012.

NOTE 11. SCHOOL TAXES

Local 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>Local District School Tax</u>	
	<u>Balance</u>	<u>Balance</u>
	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Balance of Tax	\$ 729,853	\$ 713,666
Deferred	<u>500,749</u>	<u>500,749</u>
Tax Payable	\$ <u>229,104</u>	\$ <u>212,917</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. 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 14. 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	\$ 36,738	\$111,081
Grant Fund	49,995	
Trust Other Fund	37,608	
Animal Control Trust Fund		911
General Capital Fund	23,478	
Water-Sewer Utility Operating Fund		200,032
Water-Sewer Utility Capital Fund	175,388	
Payroll Fund	<u> </u>	<u>11,183</u>
	\$ <u>323,207</u>	\$ <u>323,207</u>

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

	Ref.		
Balance December 31, 2013	A		\$ 1,660,533.58
Increased by Receipts:			
Taxes Receivable	A	\$ 4,033,367.50	
Prepaid Taxes		31,103.08	
Tax Overpayments		10,093.68	
State of New Jersey (Ch. 20, P.L. 1971)	A-7	17,135.00	
State of New Jersey Various Fees		375.00	
Revenue Accounts Receivable	A-8	1,027,035.45	
Miscellaneous Revenue Not Anticipated		223,646.82	
Interfunds:			
Other Funds		4,929.74	
Grant Fund		33,537.86	
			<u>5,381,224.13</u>
			<u>7,041,757.71</u>
Decreased by Disbursements:			
2014 Budget Appropriations	A-3	3,302,619.31	
2013 Appropriation Reserves	A-10	107,428.63	
Spending Reserves:			
Revaluation		12,166.00	
County Taxes Payable	A-11	639,254.74	
Local District School Tax	A-12	1,168,069.50	
Accounts Payable		227.37	
Tax Refunds		10,507.26	
Refunds		2,172.00	
State of New Jersey Various Fees		350.00	
Interfunds:			
Other Funds	A-13	53,874.15	
Grant Fund	A-14	26,189.98	
			<u>5,322,858.94</u>
Balance December 31, 2014	A		\$ <u><u>1,718,898.77</u></u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-6

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2013		\$ 36,918.37
Increased by:		
Transfers from Taxes Receivable		<u>3,319.35</u>
Balance December 31, 2014		<u><u>\$ 40,237.72</u></u>

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY

PER CHAPTER 20, P.L. 1971

Exhibit A-7

Balance December 31, 2013 - Due To	Ref. A		\$ 750.00
Increased by:			
Disallowed By Tax Collector:			
Current Year Deductions		\$ 1,250.00	
Prior Year Deductions		1,500.00	
Receipts		<u>17,135.00</u>	
			<u>19,885.00</u>
Decreased by:			<u>20,635.00</u>
2014 Senior Citizens and Veterans Deductions per Tax Duplicate			<u>20,750.00</u>
Balance December 31, 2013 - (Due From)	A		<u><u>\$ (115.00)</u></u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF DEFERRED CHARGES

SPECIAL EMERGENCY AUTHORIZATIONS (N.J.S. 40A:4-55)

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of</u>	<u>Net Amount Authorized</u>	<u>Balance Dec. 31, 2013</u>	<u>Raised in 2014 Budget</u>
7/18/2013	Revaluation	60,000.00		12,000.00	60,000.00	60,000.00
					\$ 60,000.00	\$ 60,000.00

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 1 of 4

	<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	\$ 3,659.00	\$ 100.00	\$ 3,841.43	\$ 100.00
Other Expenses	1,186.00		4,845.00		1,003.57
Mayor and Council					
Salaries and Wages	96.00	225.00	96.00	225.00	96.00
Other Expenses	956.79		1,181.79		956.79
Municipal Clerk					
Salaries and Wages	608.74	466.39	608.74	466.39	608.74
Other Expenses	26.88		493.27		26.88
Financial Administration					
Salaries and Wages	211.53	643.88	211.53	1,794.42	211.53
Other Expenses	3,920.37		4,564.25		2,769.83
Audit Services					
Other Expenses	30,000.00		30,000.00	29,950.00	50.00
Collection of Taxes					
Salaries and Wages	37.67		37.67		37.67
Other Expenses	1,903.24	95.88	1,999.12	113.88	1,885.24
Assessment of Taxes					
Salaries and Wages	214.66		214.66		214.66
Other Expenses	2,627.15		2,627.15	55.00	2,572.15
Legal Services and Costs					
Salaries and Wages	638.34		638.34		638.34
Other Expenses	6,000.00		6,000.00		6,000.00
Engineering Services and Costs					
Other Expenses	3,722.50		3,722.50		3,722.50
Historical Preservation					
Other Expenses	450.00		450.00		450.00
Municipal Land Use Law (N.J.S. 40:55D-1)					
Other Expenses	15.50		15.50		15.50

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

Exhibit A-10

Sheet 2 of 4

	<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>
Police					
Salaries and Wages	7,121.88	\$ 5,776.26	\$ 7,121.88		\$ 7,121.88
Other Expenses	1,463.47		7,239.73	6,245.00	994.73
Purchase of Police Vehicle					
Other Expenses					
Code Enforcement Officer					
Salaries and Wages	398.78		398.78		398.78
Other Expenses	500.00		500.00		500.00
County Rebate					
Salaries and Wages	1,647.55		1,647.55		1,647.55
Insurance					
General Liability	3,000.00		3,000.00		3,000.00
Workers' Compensation	1,184.93		1,184.93		1,184.93
Employee Group Health	39,579.23		39,579.23	2,782.48	36,796.75
Health Benefits Waiver	10,600.00	6,400.00	17,000.00		17,000.00
Emergency Management Services					
Salaries and Wages	2,809.58		2,809.58		2,809.58
Other Expenses	227.84		227.84		227.84
Emergency Medical Services					
Other Expenses	54.00		54.00		54.00
Uniform Safety Act					
Salaries and Wages	299.84		299.84		299.84
Other Expenses	500.00		500.00		500.00
Municipal Court					
Salaries and Wages	4,877.97		4,877.97		4,877.97
Other Expenses	642.65	324.47	967.12	324.47	642.65
Fire					
Other Expenses	201.30	4,476.59	4,677.89	4,410.69	267.20
Municipal Prosecutor					
Salaries and Wages	461.50		461.50		461.50
Other Expenses	100.00		100.00		100.00

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 4

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Reserve For</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Public Defender	49.12	\$	\$ 49.12	\$	\$ 49.12
Salaries and Wages	100.00		100.00		100.00
Other Expenses					
Road Repairs and Maintenance					
Salaries and Wages	4,494.40		4,494.40		4,494.40
Other Expenses	13,811.57	775.56	14,587.13	14,533.35	53.78
Garbage and Trash Removal					
Salaries and Wages	2,259.90		2,259.90		2,259.90
Other Expenses	4,566.28	301.33	4,867.61	2,301.33	2,566.28
Recycling					
Salaries and Wages	201.54		201.54		201.54
Other Expenses	5,158.05	341.95	5,500.00	3,390.37	2,109.63
Public Buildings, Grounds and Lakes					
Salaries and Wages	1,425.56		1,425.56		1,425.56
Other Expenses	17,198.49	1,143.84	18,342.33	17,091.13	1,251.20
Vehicle Maintenance					
Salaries and Wages	100.00		100.00		100.00
Other Expenses	5,258.36	2,271.43	7,529.79	2,510.69	5,019.10
Animal Control					
Other Expenses	3,854.60	1,079.10	4,933.70	1,398.10	3,535.60
Youth and Recreation					
Salaries and Wages	1,311.97		1,311.97		1,311.97
Other Expenses	537.23		537.23		537.23
Celebration of Public Events					
Other Expenses	1,882.78		1,882.78	88.09	1,794.69
Utilities:					
Gasoline	6,483.01		6,483.01	5,985.27	497.74
Electricity	5,467.37		5,467.37	516.55	4,950.82
Telephone	2,288.99		2,288.99	2,082.71	206.28
Natural Gas	2,293.42		2,293.42	2,119.28	174.14
Street Lighting	6,916.26		6,916.26		6,916.26

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

Exhibit A-10

Sheet 4 of 4

	<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>
Utilities (Continued):					
Fuel	87.02	\$	\$ 87.02		\$ 87.02
Telecommunications	18.49		18.49		18.49
Landfill Disposal Cost - Other Expenses	5,000.00		5,000.00		5,000.00
Deferred Sick Time	20,000.00		20,000.00		20,000.00
Public Employees' Retirement System of New Jersey	57.00		57.00		57.00
Social Security System	4,100.94		4,100.94		4,100.94
Unemployment Compensation Insurance	1,670.25		1,670.25		1,670.25
Defined Contribution Retirement Program	500.00		500.00		500.00
Total Appropriations within Caps	<u>245,478.49</u>	<u>27,980.68</u>	<u>273,459.17</u>	<u>102,225.63</u>	<u>171,233.54</u>
<u>OPERATIONS EXCLUDED FROM CAPS</u>					
Recycling Fees		1,000.42	1,000.42		1,000.42
Northeast Housing LLC - Borough of Lakehurst					
Police					
Salaries and Wages	3,000.00		3,000.00		3,000.00
Other Expenses	1,000.00		1,000.00		1,000.00
Administration					
Salaries and Wages	300.15		300.15		300.15
Other Expenses	276.74		276.74		276.74
4 Wheel Drive Police Vehicle	99.81		99.81		99.81
Improvements Municipal Building	5,632.65		5,632.65	5,590.00	42.65
Upgrade Electronics	740.00		740.00		740.00
Total Appropriations excluded from Caps	<u>11,049.35</u>	<u>1,000.42</u>	<u>12,049.77</u>	<u>5,590.00</u>	<u>740.00</u>
	\$ 256,527.84	\$ 28,981.10	\$ 285,508.94	\$ 107,815.63	\$ 177,693.31

Disbursements \$ 107,428.63

Accounts Payable 387.00

\$ 107,815.63

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF COUNTY TAXES PAYABLE

Increased by:			
County Tax	A-6	\$ 538,680.44	
County Library Tax		60,042.04	
County Health Tax		21,594.81	
County Open Space Tax		18,937.45	
Added and Omitted Taxes	A-6	<u>1,104.70</u>	
	A-1		<u>640,359.44</u>
			<u>640,359.44</u>
Decreased by:			
Payments	A-4		<u>639,254.74</u>
Balance December 31, 2014			<u>\$ 1,104.70</u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Exhibit A-12

Balance December 31, 2013:			
School Tax Payable	A	\$ 212,916.50	
School Tax Deferred		<u>500,749.00</u>	
			\$ 713,665.50
Increased by:			
Levy - School Year July 1, 2014 to June 30, 2015			<u>1,184,257.00</u>
			<u>1,897,922.50</u>
Decreased by:			
Payments	A-4		<u>1,168,069.50</u>
Balance December 31, 2014:			
School Tax Payable	A	229,104.00	
School Tax Deferred		<u>500,749.00</u>	
			<u>\$ 729,853.00</u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-13

SCHEDULE OF INTERFUNDS - OTHER FUNDS

	Total (Memo Only)	Animal Control Trust	Other Trust Fund	Payroll Fund	Water-Sewer Operating Fund	General Capital Fund
Balance December 31, 2013 - (Due From)/Due To	\$ 50,928.57	\$	\$ 41,384.18	\$ (11,183.09)	\$ (3,742.09)	\$ 24,469.57
Increase:						
2014 Budget Appropriations	23,916.52					23,916.52
Receipts	4,929.74		1,187.65		3,742.09	
Total Increases	<u>28,846.26</u>		<u>1,187.65</u>		<u>3,742.09</u>	<u>23,916.52</u>
Total Increases/Decreases and Balances	<u>79,774.83</u>		<u>42,571.83</u>	<u>(11,183.09)</u>		<u>48,386.09</u>
Decrease:						
Revenue Accounts Receivable	641.39		202.36			439.03
Disbursements	53,874.15		4,761.20		24,643.38	24,469.57
Statutory Excess	911.31	911.31				
Total Decreases	<u>55,426.85</u>	<u>911.31</u>	<u>4,963.56</u>		<u>24,643.38</u>	<u>24,908.60</u>
Balance December 31, 2014 - (Due From)/Due To	\$ 24,347.98	\$ (911.31)	\$ 37,608.27	\$ (11,183.09)	\$ (24,643.38)	\$ 23,477.49

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-14

SCHEDULE OF INTERFUND

GRANT FUND

Balance December 31, 2013 - Due To	Ref. A		\$ 28,927.47
Increased by:			
Receipts:	A-18	\$	
Grants Receivable			22,717.48
Unappropriated Reserves			10,820.38
Grants Receivable-Cancelled			101,294.59
2014 Budget Appropriations			<u>40,009.88</u>
			<u>174,842.33</u>
			203,769.80
Decreased by:			
Disbursements			26,189.98
Appropriated Reserves-Cancelled			87,575.11
2014 Anticipated Revenue			<u>40,009.88</u>
			<u>153,774.97</u>
Balance December 31, 2014 - Due To			\$ <u><u>49,994.83</u></u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-15

SCHEDULE OF GRANTS RECEIVABLE

GRANT FUND

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Budget Revenue Realized</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2014</u>
2014 Grant Awards:					
966 Grant	\$	\$ 17,448.88	\$ 6,810.13		\$ 10,638.75
Body Armor Grant		2,786.65	2,786.65		
Clean Communities Program		4,048.19	4,048.19		
Click it or Ticket		4,000.00	4,000.00		
Cops in Shops		1,600.00	1,600.00		
Drive Sober or Get Pulled Over		5,000.00	5,000.00		
Recycling Tonnage Grant		4,889.84	4,889.84		
Municipal Alcohol Education/Rehabilitation Program		236.32			236.32
2013 Grant Awards:					
966 Grant	483.21				483.21
Drive Sober or Get Pulled Over	4,400.00				4,400.00
Municipal Alliance	5,078.00			5,078.00	
2012 Grant Awards:					
Municipal Alliance	1,784.69			1,784.69	
2011 Grant Awards:					
Emergency Management FY 12 966 Reimbursement Program	2.00			2.00	
Municipal Alliance Grant	2,267.64			2,267.64	
NJ Transportation Trust Fund:					
Lilac Street	19,170.18			19,170.18	
2010 Grant Awards:					
Municipal Alliance Grant	5,078.00			5,078.00	
NJ Transportation Trust Fund:					
Rose Street	32,181.71			32,181.71	
2009 Grant Awards:					
Municipal Alliance Grant	187.87			187.87	
NJ Transportation Trust Fund:					
Maple and Cedar	28,922.00			28,922.00	
2008 and Prior Years Grant Awards:					
Federal Vest Program	6,622.50			6,622.50	
	\$ 106,177.80	\$ 40,009.88	\$ 29,134.81	\$ 101,294.59	\$ 15,758.28

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-16

SCHEDULE OF APPROPRIATED RESERVES

Sheet 1 of 2

GRANT FUND

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>Transfer from 2014 Budget Appropriation</u>	<u>Reserve for Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2014</u>
2014 Grant Awards:						
966 Grant	\$	\$ 17,448.88	\$	\$ 17,448.88		\$
Body Armor Grant		2,786.65				2,786.65
Clean Communities Program		4,048.19				4,048.19
Click it or Ticket		4,000.00		4,000.00		
Cops in Shops		1,600.00		1,600.00		
Drive Sober or Get Pulled Over		5,000.00				5,000.00
Recycling Tonnage Grant		4,889.84				4,889.84
Municipal Alcohol Education/Rehabilitation Program		236.32				236.32
2013 Grant Awards:						
966 Grant	465.21					465.21
Body Armor Grant	1,696.96					1,696.96
Clean Communities Program	3,867.59		100.00	3,814.33		153.26
Drive Sober or Get Pulled Over	7,200.00			7,200.00		
Drunk Driving Enforcement	12,898.65			1,873.47		11,025.18
Municipal Alliance					1,332.05	
Grant Portion	1,332.05				1,469.00	
Match Portion	1,469.00					
Recycling Tonnage Grant	6,085.59					6,085.59
2012 Grant Awards:						
Aggressive Driving	600.00					600.00
Clean Communities	475.58					
Municipal Alliance Grant			364.94	840.52		
Match Portion	45.84				45.84	
2011 Grant Awards:						
Body Armor Grant	1,288.47					1,288.47
Emergency Management FY 12 966 Reimbursement Program	2,210.00				2,210.00	
NJ Department of Transportation:						
Lilac Street	12,861.86				12,861.86	4,153.80
Recycling Tonnage Grant	4,153.80					
2010 Grant Awards:						
Body Armor Grant	744.18					744.18
NJ Department of Transportation:						
Rose Street	23,017.82				23,017.82	

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-16

SCHEDULE OF APPROPRIATED RESERVES

Sheet 2 of 2

GRANT FUND

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>Transfer from 2014 Budget Appropriation</u>	<u>Reserve for Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2014</u>
2009 Grant Awards:						
Body Armor Grant	\$ 869.46	\$	\$		\$	\$ 869.46
Municipal Alliance Grant						
Match Portion	1,101.25				1,101.25	
NJ Department of Transportation: Maple and Cedar Streets	19,562.84				19,562.84	
2008 and Prior Years Grant Awards:						
Alcohol Education and Rehabilitation Grant	545.13				545.13	
Drunk Driving Enforcement Fund	301.53			301.53	0.00	
Federal Vest Program	5,790.03			5,790.03	0.00	
NJ Department of Transportation:						
Birch Street	4,668.55				4,668.55	
Cedar Phase II	3,399.30				3,399.30	
Pine Street	11,571.44				11,571.44	
	<u>\$ 128,222.13</u>	<u>\$ 40,009.88</u>	<u>\$ 464.94</u>	<u>\$ 37,078.73</u>	<u>\$ 87,575.11</u>	<u>\$ 44,043.11</u>
Reserve for Encumbrances			\$ 10,888.75			
Interfund - Grant Fund			<u>26,189.98</u>			
			<u>\$ 37,078.73</u>			

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-17

SCHEDULE OF UNAPPROPRIATED RESERVES

GRANT FUND

	Balance Dec. 31, 2013	Received	Appropriated	Balance Dec. 31, 2014
	\$.87			\$.87
Alcohol Education Rehabilitation	1,527.49	4,400.00	1,527.49	4,400.00
Body Armor Grant		6,420.38	4,889.84	6,420.38
Drunk Driving Enforcement Fund	4,889.84			
Recycling Tonnage Grant				
	<u>\$ 6,418.20</u>	<u>\$ 10,820.38</u>	<u>\$ 6,417.33</u>	<u>\$ 10,821.25</u>

TRUST FUND

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BOROUGH OF LAKEHURST - COUNTY OF OCEAN

TRUST FUND

Exhibit B-1

SCHEDULE OF CASH - TREASURER

	Ref.	Animal Control Trust Fund	Other Trust Fund
Balance December 31, 2013	B	<u>\$ 2,277.75</u>	<u>\$ 278,022.03</u>
Increased by Receipts:			
Due State of New Jersey	B-2	\$ 509.60	
Dog Licenses and Other Fees	B-3	2,452.40	
Interest Earned	B-4	3.16	202.36
CDBG Grant Receivable			<u>37,760.51</u>
Miscellaneous Reserves			<u>101,420.03</u>
		<u>2,965.16</u>	<u>139,382.90</u>
		<u>5,242.91</u>	<u>417,404.93</u>
Decreased by Disbursements:			
Due State of New Jersey	B-2	502.80	
Animal Control Trust Fund Expenditures	B-3	159.00	
Interfunds			
Miscellaneous Reserves	B-5		49,335.57
Community Development Block Grant			<u>32,938.01</u>
		<u>661.80</u>	<u>82,273.58</u>
Balance December 31, 2014	B	<u>\$ 4,581.11</u>	<u>\$ 335,131.35</u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

ANIMAL CONTROL TRUST FUND

Exhibit B-2

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance December 31, 2013			\$ 5.00
Increased by:			
Fees Collected	B-1		<u>509.60</u>
			514.60
Decreased by:			
Payments to State of New Jersey	B-1		<u>502.80</u>
Balance December 31, 2014			<u><u>\$ 11.80</u></u>

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

Exhibit B-3

Balance December 31, 2013	Ref. B		\$ 2,272.75
Increased by:			
Animal Control License Fees Collected	B-1		<u>2,452.40</u>
			4,725.15
Decreased by:			
Expenditures Under R.S. 4:19-15.11		159.00	
Statutory Excess Due to Current Fund	B-1	<u>908.15</u>	
			<u>1,067.15</u>
Balance December 31, 2014	B		<u><u>\$ 3,658.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	<u>\$ 1,545.00</u>
2012	<u>2,113.00</u>
	<u><u>\$ 3,658.00</u></u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

ANIMAL CONTROL TRUST FUND

Exhibit B-4

SCHEDULE OF INTERFUND - CURRENT FUND

Increased by:

Statutory Excess Due to Current Fund	\$ 908.15	
Interest Earned on Deposits	<u>3.16</u>	
Balance December 31, 2014 - Due To		\$ <u><u>911.31</u></u>

OTHER TRUST FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Exhibit B-5

Balance December 31, 2013 - Due From	B	\$ 41,384.18
Increased by:		
Third Party Tax Title Liens Deposited in Current Fund		<u>1,187.65</u>
		42,571.83
Decreased by:		
Current Fund Expenditures	4,761.20	
Interest Earned on Deposits	<u>202.36</u>	
		<u>4,963.56</u>
Balance December 31, 2014 - Due From	B	\$ <u><u>37,608.27</u></u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B-6

SCHEDULE OF MISCELLANEOUS RESERVES

	Balance Dec. 31, 2013	Increases	Decreases	Balance Dec. 31, 2014
Accumulated Sick Leave	\$ 23,486.36		\$ 2,044.40	\$ 21,441.96
Board of Recreation Commissioners	19,818.44	5,594.44	6,454.18	18,958.70
Municipal Alliance Program	280.55			280.55
Parking Offense Adjudication Act	670.73	8.00		678.73
Performance Bonds	163,295.53			163,295.53
Police Forfeiture Funds	7,203.73	2,347.77		9,551.50
Police Off Duty	280.57	3,692.50	2,338.70	1,634.37
Premium on Tax Sale	15,700.00	53,235.24	800.00	68,135.24
Public Defender	23,318.96	5,167.50	2,716.80	25,769.66
Snow Removal	15,929.81			15,929.81
Third Party Tax Title Lien Redemption		1,187.65	1,187.65	
Unemployment	5,643.95			5,643.95
Uniform Fire Safety Act - Penalty Monies	4,475.85	100.00	412.93	4,162.92
World Trade Center Fund	549.00			549.00
Escrow Accounts	43,575.23	31,274.58	38,142.11	36,707.70
	\$ 324,228.71	\$ 102,607.68	\$ 54,096.77	\$ 372,739.62
Receipts		\$ 101,420.03		
Disbursements			\$ 49,335.57	
Interfund - Current Fund		1,187.65	4,761.20	
		\$ 102,607.68	\$ 54,096.77	

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

Exhibit B-7

OTHER TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK

GRANT FUNDS RECEIVABLE

Balance December 31, 2013	\$	4,822.50
Increased by:		
Disbursements		<u>32,938.01</u>
		37,760.51
Decreased by:		
Receipts		<u>37,760.51</u>
Balance December 31, 2014	\$	<u><u>0.00</u></u>

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GENERAL CAPITAL FUND

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BOROUGH OF LAKEHURST - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH

Balance December 31, 2013	Ref. C		\$ 568,134.00
Increased by Receipts:			
Interfunds		\$ 42,708.46	
Capital Improvement Fund		<u>1,000.00</u>	
			<u>43,708.46</u>
			611,842.46
Decreased by Disbursements:			
Improvement Authorizations			<u>48,459.00</u>
Balance December 31, 2014	C		<u><u>\$ 563,383.46</u></u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-3

ANALYSIS OF CASH

	<u>Balance</u>		<u>Receipts</u>		<u>Disbursements</u>		<u>Transfers</u>		<u>Balance</u>
	<u>Dec. 31, 2013</u>		<u>Miscellaneous</u>		<u>Improvement</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>	<u>Dec. 31, 2013</u>
	\$		\$		\$	\$	\$	\$	\$
Fund Balance	3,407.34								3,407.34
Capital Improvement Fund	95,704.66	1,000.00							96,704.66
Grants Receivable	(1,821.50)								(1,821.50)
Reserve for Payment of Bonds	500.00								500.00
Reserve for Encumbrances	9,000.00								9,000.00
Interfunds:									
Current Fund	(24,469.57)	24,908.60					23,916.52		(23,477.49)
Grant Fund									
Water-Sewer Utility Operating Fund	(17,799.86)	17,799.86							
Improvement Authorizations:									
Ordinance									
Number									
95-10	Various Improvements	1,213.08							1,213.08
00-04	Preliminary Expenses - New Municipal Building	(23,916.52)					23,916.52		
00-09	Various Improvements	8,094.50							8,094.50
00-10	Acquisition of Various Properties for New Municipal Building	1,971.07							1,971.07
03-04	Various Improvements	35,066.93							35,066.93
05-22	Emergency Management Services Building	(50.00)							(50.00)
06-08	Construction of Emergency Services Complex	(40.00)							(40.00)
07-07	Construction of Police Station	18,961.86							18,961.86
08-09	Improvements to Lake Horicon Dam	253,844.89							253,844.89
09-02	Acquisition of New Garbage Truck	71,275.32							71,275.32
12-08	Various Improvements	127,811.38			48,459.00				79,352.38
13-03	Refunding Bond Ordinance	9,380.42							9,380.42
		<u>\$ 568,134.00</u>	<u>\$ 43,708.46</u>	<u>\$ 48,459.00</u>	<u>\$ 23,916.52</u>	<u>\$ 23,916.52</u>	<u>\$ 563,383.46</u>		

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - FUNDED

Balance December 31, 2013	Ref. C	\$ 4,617,743.00
Decreased by:		
2014 Budget Appropriations:		
Serial Bonds Payable		<u>195,975.00</u>
Balance December 31, 2014	C	\$ <u><u>4,421,768.00</u></u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

Exhibit C-5

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance	Raised in	Balance	Analysis of Balance	
		<u>Dec. 31, 2013</u>	<u>2014 Budget</u>	<u>Dec. 31, 2014</u>	<u>Expended</u>	<u>Unexpended Improvement Authorization</u>
99-14	Acquisition of Diesel Exhaust Recovery and Cleaning System	\$ 19,356.00	\$	\$ 19,356.00	\$	\$ 19,356.00
00-04	Preliminary Expenses - New Municipal Building	47,500.00	23916.52	23,583.48		23,583.48
00-09	Various Improvements	35,900.00		35,900.00		35,900.00
03-04	Various Improvements	46,025.00		46,025.00		46,025.00
05-22	Emergency Management Services Building	50.00		50.00	50.00	
06-08	Construction of Emergency Services Complex	40.00		40.00	40.00	
08-09	Improvements to Lake Horicon Dam					
09-02	Acquisition of New Garbage Truck	800.00		800.00		800.00
12-08	Various Improvements					
		\$ 149,671.00	\$ 23,916.52	\$ 125,754.48	\$ 90.00	\$ 125,664.48

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Current Fund	Water-Sewer Utility Operating Fund
Balance December 31, 2013 - (Due From)/Due To	\$ (42,269.43)	\$ (24,469.57)	\$ (17,799.86)
Increased by:			
2014 Budget Appropriation	23,916.52	23,916.52	
Total Increases and Balances	<u>(66,185.95)</u>	<u>(48,386.09)</u>	<u>(17,799.86)</u>
Decreased by:			
Receipts	42,708.46	24,908.6	17,799.86
Balance December 31, 2014 - (Due From)/Due To	\$ <u>(23,477.49)</u>	\$ <u>(23,477.49)</u>	\$ <u>0.00</u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2013	\$ 95,704.66
Increased by:	
Budget Appropriation	<u>1,000.00</u>
Balance December 31, 2014	<u>\$ 96,704.66</u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-8

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2013		Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2014	
				Funded	Unfunded			Funded	Unfunded
95-10	Various Improvements	9/21/1995	\$ 44,000.00	\$ 1,213.08	\$	\$	\$ 1,213.08	\$	
99-14	Acquisition of Diesel Exhaust Recovery and Cleaning System	8/19/1999	50,000.00						19,356.00
00-04	Preliminary Expenses - New Municipal Building	3/16/2000	50,000.00			9,000.00			23,583.48
00-09	Various Improvements	9/07/2000	122,760.00	8,094.50				8,094.50	35,900.00
00-10	Acquisition of Various Properties for New Municipal Building	10/05/2000	325,000.00	1,971.07				1,971.07	
03-04	Various Improvements	4/02/2003	279,500.00	35,066.93				35,066.93	
07-07	Construction of a Police Station	10/18/2007	1,500,000.00	18,961.86				18,961.86	
08-09	Improvements to Lake Horicon Dam	7/17/2008	300,000.00	253,844.89				253,844.89	
09-02	Acquisition of New Garbage Truck	3/19/2009	262,500.00	71,275.32				71,275.32	800.00
12-08	Various Improvements	9/06/2012	400,000.00	127,811.38				79,352.38	
13-03	Refunding Bond Ordinance	4/18/2013	119,673.24	9,380.42				9,380.42	
				\$ 527,619.45	\$ 125,664.48	\$ 9,000.00	\$ 57,459.00	\$ 479,160.45	\$ 125,664.48
	Reserve for Encumbrances					\$ 9,000.00			
	Disbursements					\$ 48,459.00			
						\$ 57,459.00			

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2013	Paid By Budget Appropriation	Balance Dec. 31, 2014
			Outstanding	Dec. 31, 2014				
General Obligation Bonds	<u>2/21/2013</u>	<u>\$ 1,225,000.00</u>	<u>3/01/2015-17</u>	<u>\$ 85,000.00</u>	<u>2.250%</u>			
			3/01/2018-19	90,000.00	2.250%			
			3/01/2020-22	95,000.00	2.250%			
			3/01/2023	100,000.00	2.250%			
			3/01/2024	105,000.00	2.375%			
			3/01/2025	105,000.00	2.500%			
			3/01/2026	110,000.00	2.500%	\$ 1,225,000.00	\$ 85,000.00	\$ 1,140,000.00
General Obligation Refunding Bonds	<u>5/15/2013</u>	<u>3,450,643.00</u>	<u>12/01/2015-17</u>	<u>115,800.00</u>	<u>2.000%</u>			
			12/01/2018	120,625.00	2.000%			
			12/01/2019	125,450.00	2.000%			
			12/01/2020	125,450.00	2.125%			
			12/01/2021	106,150.00	2.350%			
			12/01/2022	115,800.00	2.500%			
			12/01/2023	115,800.00	2.625%			
			12/01/2026	366,700.00	3.000%			
			12/01/2028	260,550.00	3.000%			
			12/01/2030	284,675.00	3.250%			
			12/01/2033	458,375.00	3.500%			
			12/01/2035	328,100.00	3.500%			
			12/01/2040	526,693.00	4.000%			
						<u>3,392,743.00</u>	<u>110,975.00</u>	<u>3,281,768.00</u>
						<u>\$ 4,617,743.00</u>	<u>\$ 195,975.00</u>	<u>\$ 4,421,768.00</u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>
99-14	Acquisition of Diesel Exhaust Recovery and Cleaning System	\$ 19,356.00
00-04	Preliminary Expenses - Acquisition of New Municipal Building	23,583.48
00-09	Various Capital Improvements	35,900.00
03-04	Various Capital Improvements	46,025.00
05-22	Emergency Management Services Building	50.00
06-08	Construction of Emergency Services Complex	40.00
09-02	Acquisition of New Garbage Truck	800.00
		<u>800.00</u>
		<u>\$ 125,754.48</u>

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WATER/SEWER UTILITY FUND

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BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY OPERATING FUND **Exhibit D-4**

SCHEDULE OF WATER-SEWER UTILITY CASH - TREASURER

Balance December 31, 2013		\$ 737,212.75
Increased by Receipts:		
Prepaid Consumer Accounts	\$ 6,713.72	
Miscellaneous Anticipated Revenue	15,894.92	
Consumer Accounts Receivable	<u>945,416.11</u>	
		968,024.75
		<u>1,705,237.50</u>
Decreased by Disbursements:		
2014 Appropriations	827,878.02	
2013 Appropriation Reserves	8,621.84	
Accrued Interest Payable	7,851.61	
Interfunds	<u>212,540.95</u>	
		<u>1,056,892.42</u>
Balance December 31, 2014		\$ <u><u>648,345.08</u></u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-5

ANALYSIS OF WATER-SEWER UTILITY CAPITAL CASH

	<u>Transfers</u>		<u>Balance</u> <u>Dec. 31, 2014</u>
	<u>From</u>	<u>To</u>	
Capital Improvement Fund		\$ 120,000.00	\$ 142,588.54
Interfund - Water-Sewer Utility Operating Fund	120,000.00	190,999.00	(175,388.37)
Reserve for Encumbrances	179,210.00		
Fund Balance			70.92
<u>Ordinance</u>			
<u>Number</u>	<u>Improvement Description</u>		
00-08	Acquisition of Utility Truck		(21,560.00)
03-05	Various Improvements		(14,160.05)
09-14	Improvements to Well No. 16		44,177.87
11-03	Water Tower Improvements	179,210.00	24,271.09
		<u>190,999.00</u>	
		\$ <u>490,209.00</u>	\$ <u>0.00</u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-6

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2013		\$	49,142.27
Increased by:			
Consumer Accounts Receivable			<u>943,777.10</u>
			992,919.37
Decreased by:			
Collections	\$ 945,416.11		
Prepayments Applied	<u>2,490.76</u>		
			<u>947,906.87</u>
Balance December 31, 2014		\$	<u><u>45,012.50</u></u>

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Exhibit D-7

			Balance
			<u>Dec. 31, 2014</u>
Water-Sewer System		\$	<u>3,111,262.29</u>
Water Improvements			204,844.71
Jet Truck for Sewers			35,000.00
Boiler Replacement			6,695.00
Replacement of Water Lines - Chestnut Street			27,000.00
Refurbish Sewer Lift Pump			4,480.00
Computer Equipment			23,000.00
Purchase of Water Meters			14,959.08
Utility Truck			<u>46,800.00</u>
		\$	<u><u>3,474,041.08</u></u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-8

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2014</u>
03-05	Various Water-Sewer Improvement	4/03/2003	\$ 135,000.00	\$ 30,611.34
09-14	Improvements to Well No. 16	9/17/2009	100,000.00	100,000.00
11-03	Water Tower Improvements	9/01/2011	850,000.00	850,000.00
				<u>\$ 980,611.34</u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY OPERATING FUND

SCHEDULE OF APPROPRIATION RESERVES

Exhibit D-9

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2013</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 11,061.19	\$	\$ 11,061.19	\$	\$ 11,061.19
Other Expenses	25,502.29	7,062.86	32,565.15	8,621.84	23,943.31
Audit and Professional	9,000.00		9,000.00		9,000.00
Ocean County Utilities Authority	10,014.60		10,014.60		10,014.60
Capital Improvements:					
Capital Improvement Fund	26,000.00		26,000.00		26,000.00
Capital Outlay					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	2,486.21		2,486.21		2,486.21
Public Employee's Retirement System					
Unemployment Compensation Insurance	1,000.00		1,000.00		1,000.00
(N.J.S.A. 43:21-3)					
	<u>\$ 85,064.29</u>	<u>\$ 7,062.86</u>	<u>\$ 92,127.15</u>	<u>\$ 8,621.84</u>	<u>\$ 83,505.31</u>
Accounts Payable				\$	
Interfund - Water Sewer Utility Capital Fund				<u>8,621.84</u>	
Disbursed				<u>\$ 8,621.84</u>	

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-10

SCHEDULE OF INTERFUNDS

	Current Fund	General Capital Fund	Water-Sewer Capital Fund
Balance December 31, 2013 - Due To	\$ 3,742.09	\$ 17,799.86	\$ 246,387.37
Increased by:			
2014 Budget Appropriations	24,643.38		120,000.00
Total Increases and Balances	<u>28,385.47</u>	<u>17,799.86</u>	<u>366,387.37</u>
Decreased by:			
Disbursements	<u>3,742.09</u>	<u>17,799.86</u>	<u>190,999.00</u>
Balance December 31, 2014 - Due To	\$ 24,643.38	\$ 0.00	\$ 175,388.37

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-11

SCHEDULE OF ACCRUED INTEREST PAYABLE

Balance December 31, 2013	\$ 7,851.61
Increased by:	
Budget Appropriations	<u>6,725.55</u>
	14,577.16
Decreased by:	
Disbursements	<u>7,851.61</u>
Balance December 31, 2014	<u>\$ 6,725.55</u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

Exhibit D-12

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2013		Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2014	
				Funded	Unfunded			Funded	Unfunded
03-05	Various Water-Sewer Improvements	4/03/2003	\$ 135,000.00	\$	\$ 19,089.95	\$	\$	\$ 44,177.87	\$ 19,089.95
09-14	Improvements to Well No. 16	9/17/2009	100,000.00	44,177.87			190,999.00	24,271.09	
11-03	Water Tower Improvements	9/01/2011	850,000.00	36,060.09		179,210.00			
				\$ 80,237.96	\$ 19,089.95	\$ 179,210.00	\$ 190,999.00	\$ 68,448.96	\$ 19,089.95

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY CAPITAL FUND Exhibit D-13

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2013		\$	22,588.54
Increased by:			
2014 Budget Appropriation			<u>120,000.00</u>
Balance December 31, 2014		\$	<u><u>142,588.54</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION

Exhibit D-14

Balance December 31, 2013	D	\$	2,381,178.16
Increased by:			
Paid by Operating Budget:			
USDA Loan	\$	23,482.26	
Serial Bonds		<u>4,025.00</u>	
			<u>27,507.26</u>
Balance December 31, 2014	D	\$	<u><u>2,408,685.42</u></u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-15

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2013</u>	<u>Serial Bonds Paid</u>	<u>Balance Dec. 31, 2014</u>
09-14	Improvements to Well No. 16	9/17/2009	\$ 12,500.00	\$ 5,866.00	\$ 18,366.00
03-05	Various Water-Sewer Improvement	4/03/2003	6,750.00		6,750.00
11-03	Water Tower Improvements	9/01/2011	42,500.00	54,134.00	96,634.00
			<u>\$ 61,750.00</u>	<u>\$ 60,000.00</u>	<u>\$ 121,750.00</u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-16

SCHEDULE OF USDA LOAN PAYABLE

Purpose	Amount of Original Issue	Loan Maturities		Interest Rate	Balance Dec. 31, 2013	Paid by Budget Appropriation	Balance Dec. 31, 2014
		Outstanding Date	Dec. 31, 2014 Amount				
Water-Sewer Improvements	1,200,000.00	12/23/2014-39	See D-15 Sheet 2 of 2	3.25%	\$ 939,657.26	\$ 23,482.26	\$ 916,175.00

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Exhibit D-17

Purpose	Date Original Iss	Maturities of Bonds Outstanding Dec. 31, 2014	Interest Rate	Balance Dec. 31, 2013	Paid by Budget Appropriation	Balance Dec. 31, 2014
General Obligation Bonds	895,000.00	3/01/2015	2.250%			
		3/01/2016-20	2.250%			
		3/01/2021-22	2.250%			
		3/01/2023	2.250%			
		3/01/2024	2.375%			
		3/01/2025-26	2.500%	\$ 895,000.00	\$ 60,000.00	\$ 835,000.00
General Obligation Refunding Bonds	124,357.00	12/01/2015-17	2.000%			
		12/01/2018	2.000%			
		12/01/2019	2.000%			
		12/01/2020	2.125%			
		12/01/2021	2.350%			
		12/01/2022	2.500%			
		12/01/2023	2.625%			
		12/01/2026	3.000%			
		12/01/2028	3.000%			
		12/01/2030	3.250%			
		12/01/2033	3.500%			
		12/01/2035	3.500%			
		12/01/2040	4.000%			
				122,257.00	4,025.00	118,232.00
				<u>\$ 1,017,257.00</u>	<u>\$ 64,025.00</u>	<u>\$ 953,232.00</u>

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-18

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>
00-08	Acquisition of a Utility Truck	21,560.00
03-05	Various Water-Sewer Improvements	33,250.00
		<u>54,810.00</u>

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BOROUGH OF LAKEHURST
COUNTY OF OCEAN
PART II
SUPPLEMENTARY DATA
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2014

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COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	\$ <u>2.899</u>	\$ <u>2.138</u>	\$ <u>2.010</u>
Apportionment of Tax Rate			
Municipal	1.605	1.109	1.069
County	.454	.415	.346
Local School	.840	.614	.595
Assessed Valuation			
2014	\$ 187,699,380		
2013		\$ 188,948,432	
2012			\$ 189,965,889

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	\$ 4,094,211	\$ 3,980,518	97.22%
2013	4,039,717	3,911,878	96.83%
2012	3,831,308	3,703,432	96.66%

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	\$ 40,238	\$ 105,637	\$ 145,875	3.56%
2013	36,918	106,761	143,679	3.56%
2012	35,850	103,957	139,807	3.65%

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	\$ 50,000
2013	50,000
2012	50,000

COMPARISON OF WATER-SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collection</u>
2014	\$ 943,777	\$ 49,142	\$ 947,907
2013	937,015	81,178	969,051
2012	936,725	100,036	955,583

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	\$ 986,859	\$ *
2013	1,025,383	725,000
2012	1,030,710	700,000
2011	879,768	650,000
2010	646,238	545,500
<u>Water-Sewer Fund</u>		
2014	\$ 362,541	\$ *
2013	364,681	240,898
2012	272,457	150,000
2011	176,175	154,150
2010	203,655	178,150

* Pending

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued</u>			
General Bonds and Notes	\$ 4,421,768	\$ 4,617,743	\$ 4,593,037
Water-Sewer Utility Bonds, Loans and Notes	<u>1,869,407</u>	<u>1,956,914</u>	<u>1,981,779</u>
Total Issued	6,291,175	6,574,657	6,574,816
Less:			
Funds on Hand to Pay Bonds			<u>500</u>
Net Debt Issued	<u>6,291,175</u>	<u>6,574,657</u>	<u>6,574,316</u>
<u>Authorized but not Issued</u>			
General Bonds and Notes	125,754	149,671	148,781
Water-Sewer Utility Bonds and Notes	<u>54,810</u>	<u>54,810</u>	<u>54,810</u>
Total Authorized but not Issued	<u>180,564</u>	<u>204,481</u>	<u>203,591</u>
Net Bonds and Notes Issued and Authorized but not Issued	\$ <u>6,471,739</u>	\$ <u>6,779,138</u>	\$ <u>6,777,907</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 2.56%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 921,000	\$ 921,000	\$ -0-
General Debt	4,547,522	500	4,547,022
Water-Sewer Utility Debt	<u>1,924,217</u>	<u>1,924,217</u>	<u>-0-</u>
	\$ <u>7,392,739</u>	\$ <u>2,845,717</u>	\$ <u>4,547,022</u>

Net Debt \$4,547,022 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$178,162,611 = 2.56%.

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

3.5% of Equalized Valuation Basis	\$ 6,235,691
Net Debt	<u>4,547,022</u>
Remaining Borrowing Power	\$ <u>1,688,669</u>

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

Cash Receipts from Fees, Rents or Other		
Charges for the Year		\$ 1,204,700
Deductions:		
Operating and Maintenance Cost	\$ 788,098	
Debt Service	<u>140,349</u>	
		<u>928,447</u>
Excess in Revenues		\$ <u>276,253</u>

A revised Annual Debt Statement should be filed by the chief Financial Officer.

**BOROUGH OF LAKEHURST
COUNTY OF OCEAN**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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The Honorable Mayor and Members of the
Borough Council
Borough of Lakehurst, New Jersey

We have audited the financial statements – statutory basis of the Borough of Lakehurst in the County of Monmouth for the year ended December 31, 2014.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, the activities of the Mayor and Council and the records of the various outside departments.

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

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

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

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement.

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

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

A test was conducted to determine that expenditures greater than \$5,400 obtained solicitation of quotes. No exceptions were noted.

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

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

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

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 1, 2014 adopted the following resolutions (14-014 & 14-015) authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED, that in accordance with N.J.S. 54:4-67, as amended, the Tax Collector is hereby authorized and directed to charge eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500 becoming delinquent after the due date. Effective January 1, 2010 there will be a ten day grace period of quarterly tax payments made by cash, check or money order.”

It appears from an examination of the Tax Collector and Water-Sewer Utility Collector’s records, that interest was collected in accordance with the foregoing resolution and statutes.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2014 included real estate taxes for 2014.

The last tax sale was held on November 18, 2014 and was complete.

Inspection of 2014 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

YEAR	NUMBER OF LIENS
2014	7
2013	7
2012	7

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

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

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

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of the Borough employees.

Finding 2014-001

Three of eight quarterly pension filings were late. Three of twenty-four monthly payments were not remitted timely. All payments and filings were remitted in ten days of due date.

Recommendation:

Monthly pension payments and quarterly pension filings should be remitted timely.

Management Response:

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

Municipal Court

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

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

A test sample was selected of ten (10); eight traffic and two criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Tax Collector's Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2012 with the governing body.

Construction Code Office

- (1) **Indirect Costs** – Indirect costs are not allocated to the Construction Code Budget Appropriation.
- (2) **Annual Report** – An annual report of revenue, expenditures and a recommendation for any fee increase or decrease was filed with the governing body.
- (3) **Construction Code Costs** – A test was conducted to determine that all revenues collected for construction code fees are applied to pay for municipal costs of enforcing the Uniform Construction Code [*N.J.A.C.5:23.17(c)2*]. No exceptions were discovered as a result of the test that would indicate that construction code revenues were not being applied to pay for costs related to enforcement of the Uniform Construction Code.
- (4) **Construction Code Permits** – A test of the fees charged for construction code permits disclosed no exceptions regarding charges being levied in accordance with the Borough Ordinances in effect.

Chief Financial Officer

Findings 2014-002

The Borough has an immaterial unknown reconciling item used to balance their Current Fund.

Recommendation:

The Borough performs timely and accurate bank reconciliations.

Management Response:

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

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. There were no prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	TITLE
Harry Robbins	Mayor
Steven Oglesby	Council President
Robin Busch	Councilwoman
Gary Lowe	Councilman
Glenn McComas	Councilman
James Davis	Councilman
Edward Seaman, Jr.	Councilman
Sean Gertner	Attorney
Bernadette Dugan	Municipal Clerk
Alan Murray	Chief Financial Officer
Marie C. Bell	Tax/Utility Collector & Search Official
Daniel Gatti	Tax Assessor
Damian G. Murray	Magistrate
Patricia Magill	Court Administrator

There were Employee's Blanket Performance Bonds in the amount of \$50,000 for the Township employees and court personnel carried by the Ocean County Joint Insurance Fund and \$950,000 carried by the Municipal Excess Liability Joint Insurance Fund.

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team. The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, please contact us.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney Haines
Certified Public Accountant
Registered Municipal Accountant
No. CR498

Medford, New Jersey
June 24, 2015