

**BOROUGH OF SPRING LAKE**

**COUNTY OF MONMOUTH**

**DECEMBER 31, 2014**

**ROBERT A. HULSART AND COMPANY**  
**Certified Public Accountants**

**2807 Hurley Pond Road, Suite 100**  
**P.O. Box 1409**  
**Wall, New Jersey 07719**

**BOROUGH OF SPRING LAKE**

**COUNTY OF MONMOUTH**

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BOROUGH OF SPRING LAKE

COUNTY OF MONMOUTH

PART I

AUDITOR'S REPORT ON THE BOROUGH'S FINANCIAL STATEMENTS,

FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014



# *Robert A. Hulsart and Company*

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888

e-mail:  
rah@monmouth.com

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

1.

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of Borough Council  
Borough of Spring Lake  
County of Monmouth  
Spring Lake, New Jersey 07762

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

We have audited the accompanying consolidated financial statements - regulatory basis of the various funds and account groups of the Borough of Spring Lake (the "Borough"), which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related consolidated statement of revenues - regulatory basis and consolidated statement of expenditures - regulatory basis of the various funds for the year ended.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

As discussed more fully in Note 1, the Borough prepares its basic consolidated financial statements on a regulatory basis of accounting prescribed by the Division, as required by state statute, that demonstrates compliance with a modified accrual basis of accounting, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit the LOSAP fund financial statements as a part of our audit of the Borough's financial statements. The LOSAP fund financial statements are included in the Borough's Trust Fund and represent 38% and 24% of the assets and liabilities as of December 31, 2014 and 2013, respectively, of the Borough's Trust Fund. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

### Opinion

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2014 and 2013, the changes in financial position, or where applicable, its cash flows for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic consolidated financial statements.

However, in our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Borough, as of December 31, 2014 and 2013, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the consolidated statements of revenues – regulatory basis and consolidated statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2014 on the basis of accounting described in Note 1.

### Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued a report dated June 12, 2015 on our consideration of the Borough's internal control over financial reporting and 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 reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinion on the consolidated financial statements of the Borough taken as a whole. The accompanying supplementary schedules and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements, but is required by the Division. 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, on the basis of accounting described in Note 1.

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*Robert A. Hulsart and Company*

Robert A. Hulsart  
Certified Public Accountant  
Registered Municipal Accountant  
R.M.A. Number 158

June 12, 2015

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

4.

**BALANCE SHEET - CURRENT FUND**

Exhibit A

Sheet 1 of 2

**REGULATORY BASIS****DECEMBER 31,**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>Assets</u></b>			
Cash	A-4	\$ 3,045,609.23	4,468,174.04
Petty Cash			250.00
Change Fund - Collector		100.00	100.00
Change Fund - Municipal Clerk		50.00	50.00
Beach Bond Anticipation Notes	A-4	1,615,000.00	1,000,000.00
		<u>4,660,759.23</u>	<u>5,468,574.04</u>
Receivables with Full Reserves:			
Property Taxes Receivable	A-5	321,924.97	280,526.66
Property Acquired for Taxes		7,700.00	7,700.00
Interfund-Trust-Unemployment	B	5,490.80	5,490.80
Interfund-General Capital	C		218.46
	Contra	<u>335,115.77</u>	<u>293,935.92</u>
Total Current Fund		<u>4,995,875.00</u>	<u>5,762,509.96</u>
<b><u>Federal and State Grant Fund</u></b>			
Grants Receivable	A-12	703,604.09	759,681.68
		<u>703,604.09</u>	<u>759,681.68</u>
Total Assets		<u>\$ 5,699,479.09</u>	<u>6,522,191.64</u>

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

5.

**BALANCE SHEET - CURRENT FUND**Exhibit A  
Sheet 2 of 2**REGULATORY BASIS****DECEMBER 31,**

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Liabilities:			
Appropriation Reserves	A-3,9	\$ 1,091,953.46	1,075,728.29
Encumbrances	A-3-9	157,594.36	189,805.06
Prepaid Taxes	A-4	506,683.45	445,200.39
Due State Veterans and Senior Citizens	A-6	2,215.43	4,965.43
Added Taxes Due County	A-10	56,989.21	68,553.87
Local District School Taxes	A-11		760,080.11
Reserve for:			
Bond Anticipation Notes	A-2,4	59,017.91	100,248.00
Bonds	A-2,4	372,919.52	271,230.09
Marucci Park		6,538.75	6,538.75
Tax Map		3,350.00	3,350.00
LOSAP Payment	A-3	12,995.68	6,470.68
Tree Replacement	A-4	32,999.54	47,246.82
E & S Inspections		15,182.86	15,182.86
Master Plan		3,601.00	3,601.00
Donation	A-4	10,126.09	6,126.09
Library - State Aid	A	42.52	42.52
Deposit for Beach Stores	A	2,000.00	2,000.00
Deposit for Boat Slip	A	830.00	830.00
Tax Sale Redemption	A-4	101,724.88	
Off Duty Police	A-4	8,282.50	
Due to Trust - Other	B	76,332.92	67,133.46
Total Liabilities		2,521,380.08	3,074,333.42
Reserve for Receivables	Contra	335,115.77	293,935.92
Fund Balance	A-1	2,139,379.15	2,394,240.62
Total Current Fund		4,995,875.00	5,762,509.96
<b><u>Federal and State Grant Fund</u></b>			
Appropriation Reserves	A-13	82,167.61	351,185.20
Unappropriated Reserves	A-14	37,876.82	21,029.94
Interfund - Capital Fund	A-4	583,559.66	387,466.54
		703,604.09	759,681.68
Total Liabilities, Reserves and Fund Balance		\$ 5,699,479.09	6,522,191.64

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**Exhibit A-1  
Sheet 1 of 2

6.

**STATEMENT OF OPERATIONS AND CHANGE****IN FUND BALANCE - CURRENT FUND****REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 1,900,000.00	1,800,000.00
Miscellaneous Revenue Anticipated	A-2	1,271,697.44	1,183,833.95
Receipts from Current Taxes	A-2	23,332,762.39	22,693,471.48
Receipts from Delinquent Taxes	A-2	271,201.05	482,452.22
Non-Budget Revenue	A-2	351,420.23	306,280.95
Other Credits to Income:			
Interfunds Liquidated	A		78,956.31
Appropriation Reserves Lapsed	A-8,9	892,552.59	1,296,245.47
Total Revenues		<u>28,019,633.70</u>	<u>27,841,240.38</u>
<b><u>Expenditures</u></b>			
Budget Appropriations:			
Within Caps:			
Operations:			
Salaries and Wages	A-3	3,608,729.00	3,446,229.00
Other Expenses	A-3	2,658,815.00	2,683,665.00
Deferred Charges and Statutory Expenditures	A-3	703,062.29	744,327.58
Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	221,600.00	224,100.00
Other Expenses	A-3	1,301,758.60	1,304,412.89
Capital Improvements	A-3	1,080,000.00	603,000.00
Debt Service	A-3	750,467.00	769,892.64
County Taxes	A-10	9,836,194.28	9,731,739.74
Local District School Taxes	A-11	6,145,869.00	6,058,552.00
Special Business Tax	A-2	68,000.00	68,000.00
Interfunds	A		30,125.14
Total Expenditures		<u>26,374,495.17</u>	<u>25,664,043.99</u>

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

Exhibit A-1

7.

Sheet 2 of 2

STATEMENT OF OPERATIONS AND CHANGE

IN FUND BALANCE - CURRENT FUND

REGULATORY BASIS

DECEMBER 31

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Excess in Revenue		1,645,138.53	2,177,196.39
Fund Balance January 1	A	<u>2,394,240.62</u>	<u>2,017,044.23</u>
		4,039,379.15	4,194,240.62
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,900,000.00</u>	<u>1,800,000.00</u>
Fund Balance December 31	A	<u>\$ 2,139,379.15</u>	<u>2,394,240.62</u>

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**Exhibit A-2 8.  
Sheet 1 of 2**CURRENT FUND****STATEMENT OF REVENUES - DECEMBER 31, 2014****REGULATORY BASIS**

	<u>Ref.</u>	<u>Anticipated Revenue</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 1,900,000.00	1,900,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	A-7	5,250.00	5,746.00	496.00
Other	A-7	8,000.00	11,405.85	3,405.85
Fines and Costs:	A-7			
Municipal Court	A-7	78,000.00	131,050.78	53,050.78
Interest and Costs on Taxes	A-4	45,000.00	72,447.32	27,447.32
Interest on Investments	A-7	500.00	869.83	369.83
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	A-7	303,368.00	303,368.00	-
Uniform Construction Code Fees	A-7	122,500.00	139,837.44	17,337.44
Uniform Fire Safety Act	A-7	4,200.00	12,569.95	8,369.95
Regional Code Construction Department	A-7	204,100.00	204,103.64	3.64
Clean Communities	A-12	11,340.38	11,340.38	-
Drunk Driving Enforcement Fund	A-12	1,365.92	1,365.92	-
Recycling Tonnage	A-12	6,339.49	6,339.49	-
Reserve to Pay Bonds	A-7	41,230.09	41,230.09	-
Reserve to Pay notes	A-7	100,248.00	100,248.00	-
Body Armor - Police	A-12	1,984.15	1,984.15	-
Hotel Tax	A-7	210,000.00	227,790.60	17,790.60
Total Miscellaneous Revenues	A-1	1,143,426.03	1,271,697.44	128,271.41
Receipts From Delinquent Taxes	A-1	250,000.00	271,201.05	21,201.05
		3,293,426.03	3,442,898.49	149,472.46
Amount to be Raised by Local Taxes for Support of Municipal Budget	A-2	7,430,281.00	7,681,974.25	251,693.25
Total General Revenues		<u>\$ 10,723,707.03</u>	11,124,872.74	<u>401,165.71</u>
Non-Budget Revenue	A-2		351,420.23	
			<u>\$11,476,292.97</u>	

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



**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

9.

Exhibit A-2  
Sheet 2 of 2

**CURRENT FUND**

**STATEMENT OF REVENUES - DECEMBER 31, 2014**

**REGULATORY BASIS**

	<u>Ref.</u>	
<b><u>Current Tax Collections</u></b>		
Allocation of Current Collections:		
Revenue from Collections	A-5	\$23,332,762.39
Less: Allocated to School and County Taxes	A-5	\$ 15,982,063.28
Allocated to Business Tax	A-5	<u>68,000.00</u>
		16,050,663.28
		<u>7,282,699.11</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>399,275.14</u>
		<u>\$ 7,681,974.25</u>
 <b><u>Miscellaneous Revenue Not Anticipated</u></b>		
Revenue Accounts Receivable	A-7	\$ 263,352.27
Copies		\$ 15,111.22
Engineering Fees		14,700.00
Other		<u>58,256.74</u>
	A-4	<u>88,067.96</u>
	A-1	<u>\$ 351,420.23</u>

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - DECEMBER 31, 2014**

**REGULATORY BASIS**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b><u>GENERAL GOVERNMENT</u></b>					
Administrative and Executive					
Salaries and Wages	\$ 98,000.00	98,000.00	97,995.15	4.85	
Other Expenses	29,500.00	29,500.00	20,502.09	8,997.91	
Mayor and Council					
Salaries and Wages	19,189.00	19,189.00	19,189.00	-	
Other Expenses	1,500.00	1,500.00	1,132.98	367.02	
Municipal Clerk					
Salaries and Wages	138,000.00	138,000.00	137,304.14	695.86	
Other Expenses	33,750.00	33,750.00	32,595.19	1,154.81	
Financial Administration					
Salaries and Wages	32,500.00	32,500.00	32,424.27	75.73	
Other Expenses	27,150.00	27,150.00	21,101.74	6,048.26	
Auditing Services					
Other Expenses	18,000.00	18,000.00	16,000.00	2,000.00	
Tax Assessment Administration					
Salaries and Wages	30,300.00	30,300.00	29,670.94	629.06	
Other Expenses	36,150.00	36,150.00	24,237.25	11,912.75	
Revenue Administration - Tax Collector					
Salaries and Wages	41,000.00	41,000.00	40,993.64	6.36	
Other Expenses	12,550.00	12,550.00	9,207.17	3,342.83	
Legal Services					
Other Expenses	145,000.00	145,000.00	114,727.54	30,272.46	
Engineering Services					
Other Expenses	64,500.00	64,500.00	54,010.00	10,490.00	

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2014

REGULATORY BASIS

	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
<u>Land Use Administration</u>					
Planning Board					
Other Expenses	43,675.00	43,675.00	17,081.15	26,593.85	
Code Enforcement					
Salaries and Wages	15,000.00	15,000.00	14,212.50	787.50	
Other Expenses	1,000.00	1,000.00	718.23	281.77	
Zoning Official					
Salaries and Wages	26,600.00	26,600.00	26,155.00	445.00	
Other Expenses	500.00	500.00	223.40	276.60	
<u>Insurance</u>					
Group Plan for Employees	740,000.00	740,000.00	727,266.26	12,733.74	
General Liability	133,500.00	133,500.00	130,055.53	3,444.47	
Workmen's Compensation	160,500.00	160,500.00	160,370.47	129.53	
<u>Public Safety</u>					
Police					
Salaries and Wages	1,450,000.00	1,450,000.00	1,446,632.00	3,368.00	
Other Expenses	105,850.00	105,850.00	98,117.54	7,732.46	
Dispatching-Interlocal					
Salaries and Wages	160,000.00	160,000.00	157,020.79	2,979.21	
Other Expenses	35,500.00	35,500.00	27,754.92	7,745.08	
Office of Emergency Management					
Salaries and Wages	3,000.00	3,000.00	3,000.00	-	
Other Expenses	7,500.00	7,500.00	7,089.88	410.12	
First Aid Organization					
Other Expenses	19,000.00	19,000.00	17,995.79	1,004.21	
Fire Department					
Salaries and Wages	1,640.00	1,640.00	1,640.00	-	
Other Expenses	60,000.00	60,000.00	59,841.29	158.71	

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - DECEMBER 31, 2014**

**REGULATORY BASIS**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b><u>Public Works</u></b>					
Streets and Roads					
Other Expenses	27,500.00	27,500.00	26,197.00	1,303.00	
Other Public Works Functions					
Salaries and Wages	1,524,500.00	1,524,500.00	1,520,072.96	4,427.04	
Other Expenses	25,050.00	25,050.00	19,279.06	5,770.94	
Solid Waste Collection					
Other Expenses	750.00	750.00		750.00	
Vehicle Maintenance					
Other Expenses	74,500.00	74,500.00	73,336.50	1,163.50	
Public Buildings					
Other Expenses	34,000.00	34,000.00	31,701.32	2,298.68	
Shade Tree Commission					
Other Expenses	2,500.00	2,500.00	880.50	1,619.50	
<b><u>Health and Human Services</u></b>					
Board of Health					
Salaries and Wages	3,500.00	3,500.00	3,307.98	192.02	
Other Expenses	100.00	100.00	88.80	11.20	
Public Health Priorities Funding Act of 1977 - Contractual	50,000.00	50,000.00	48,783.25	1,216.75	
Dog Regulation - Other Expenses	10,000.00	10,000.00	10,000.00	-	
<b><u>Parks and Recreation</u></b>					
Recreation Services and Programs					
Salaries and Wages	11,000.00	11,000.00		11,000.00	
NJ Bloodborne Pathogens					
Other Expenses	90.00	90.00		90.00	
Maintenance of Parks					
Other Expenses	40,000.00	40,000.00	38,150.43	1,849.57	
Accumulated Leave Compensation					
Salaries and Wages	20,000.00	20,000.00	20,000.00	-	

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2014

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Celebration of Public Events, Anniversary or Holiday					
Other Expenses	35,500.00	35,500.00	31,573.31	3,926.69	
Utility Expenses and Bulk Purchases:					
Electricity	90,000.00	90,000.00	53,525.98	36,474.02	
Street Lighting	92,000.00	92,000.00	91,724.14	275.86	
Telephone	48,000.00	48,000.00	47,230.95	769.05	
Gas-Natural	60,000.00	60,000.00	36,429.07	23,570.93	
Gasoline	85,000.00	85,000.00	65,331.36	19,668.64	
Landfill/Solid Waste Disposal Costs-Tipping Fees	145,500.00	145,500.00	113,520.57	31,979.43	
Payment To Water-Sewer Utility for Water	145,000.00	145,000.00	145,000.00	-	
<u>Uniform Construction Code - Appropriations</u>					
<u>Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Official					
Salaries and Wages	28,500.00	28,500.00	28,500.00	-	
Unclassified:					
Life Hazard Fire Safety Fees:					
Code Official					
Salaries and Wages	6,000.00	6,000.00	6,000.00	-	
Other Expenses	3,500.00	3,500.00	2,540.71	959.29	
Unemployment Tax					
Other Expenses	12,000.00	12,000.00	12,000.00	-	
Drug Addiction					
Other Expenses	2,700.00	2,700.00	1,039.08	1,660.92	
Total Operations Within Caps	<u>6,267,544.00</u>	<u>6,267,544.00</u>	<u>5,972,478.82</u>	<u>295,065.18</u>	<u>-</u>

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - DECEMBER 31, 2014**

**REGULATORY BASIS**

<u>Deferred Charges and Statutory Expenditures - Municipal Within Caps</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	201,678.00	201,678.00	201,678.00	-	
Police & Firemen's Retirement System	281,973.60	281,973.60	281,973.60		
Social Security System (O.A.S.I.)	217,610.69	217,610.69	217,175.81	434.88	
Catastrophic Illness	1,800.00	1,800.00	612.00	1,188.00	
Total Deferred Charges and Statutory Expenditures - Municipal Within Caps	703,062.29	703,062.29	701,439.41	1,622.88	-
Total General Appropriations for Municipal Purposes Within Caps	6,970,606.29	6,970,606.29	6,673,918.23	296,688.06	-
<u>Operations Excluded from "Caps"</u>					
Municipal Court					
Salaries and Wages	27,500.00	27,500.00	27,110.38	389.62	
Other Expenses	1,000.00	1,000.00	1,000.00		
Public Defender-Other Expenses	5,000.00	5,000.00	125.00	4,875.00	
Maintenance of Free Public Library (Per R.S. 40:54-80)	1,115,228.66	1,115,228.66	333,714.27	781,514.39	
L.O.S.A.P. - Contribution	60,000.00	60,000.00	60,000.00	-	
Total Operations Excluded from "Caps"	1,208,728.66	1,208,728.66	421,949.65	786,779.01	-
<u>Interlocal Municipal Service Agreements</u>					
911 Services	5,000.00	5,000.00		5,000.00	
Domestic Violence Response Team	1,500.00	1,500.00		1,500.00	
Monmouth County Special Response Team	1,000.00	1,000.00	1,000.00	-	
CMFO Belmar	30,000.00	30,000.00	30,000.00	-	
Municipal Court					
Other Expenses	52,000.00	52,000.00	52,000.00	-	
Regional Construction Code Enforcement Department					
Salaries and Wages	194,100.00	194,100.00	194,100.00	-	
Other Expenses	10,000.00	10,000.00	8,013.61	1,986.39	
Total Interlocal Municipal Service Agreements	293,600.00	293,600.00	285,113.61	8,486.39	-

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2014

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Public and Private Programs Offset by Revenues</u>					
Driving While Intoxicated					
Other Expenses	1,365.92	1,365.92	1,365.92		
Body Armor					
Other Expenses	1,984.15	1,984.15	1,984.15		
Recycling Grant					
Other Expenses	6,339.49	6,339.49	6,339.49	-	
Clean Communities					
Other Expenses	11,340.38	11,340.38	11,340.38	-	
Total Public and Private Programs Offset by Revenues	21,029.94	21,029.94	21,029.94	-	-
Total Operations Excluded from Caps	1,523,358.60	1,523,358.60	728,093.20	795,265.40	-
<u>Capital Improvements Excluded from Caps</u>					
Capital Improvement Fund					
Improvements to Buildings/Infrastructure	50,000.00	50,000.00	50,000.00		
Improvements to Pool	100,000.00	100,000.00	100,000.00	-	
Road Improvements	100,000.00	100,000.00	100,000.00		
Total Capital Improvements Excluded from Caps	830,000.00	830,000.00	830,000.00	-	
	1,080,000.00	1,080,000.00	1,080,000.00	-	-

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2014

REGULATORY BASIS

	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
<u>Municipal Debt Service - Excluded from Caps</u>					
Payment of Bond Principal	336,953.00	336,953.00	336,953.00		
Interest on Bonds	93,336.00	93,336.00	93,336.00		
Payment of Bond Anticipation Notes	300,000.00	300,000.00	300,000.00		
Interest on Notes	20,178.00	20,178.00	20,178.00		-
Total Municipal Debt Service Excluded from Caps	750,467.00	750,467.00	750,467.00	-	-
Total General Appropriations for Municipal Purposes Excluded from Caps	3,353,825.60	3,353,825.60	2,558,560.20	795,265.40	-
Sub-Total General Appropriations	10,324,431.89	10,324,431.89	9,232,478.43	1,091,953.46	-
Reserve for Uncollected Taxes	399,275.14	399,275.14	399,275.14	-	
	<u>\$ 10,723,707.03</u>	<u>10,723,707.03</u>	<u>9,631,753.57</u>	<u>1,091,953.46</u>	<u>-</u>
<u>Ref.</u>		<u>A-1</u>		<u>A</u>	
<u>Analysis of Paid or Charged</u>					
Disbursed			\$ 9,053,854.13		
Federal and State Grants			21,029.94		
Encumbrances			157,594.36		
Reserved for Uncollected Taxes			399,275.14		
			<u>\$ 9,631,753.57</u>		

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



**BALANCE SHEET - TRUST FUND****REGULATORY BASIS****DECEMBER 31,**

	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Assets</u></b>			
Dog License Fund			
Cash	B-1	\$ 2,681.48	3,926.58
		<u>2,681.48</u>	<u>3,926.58</u>
Other Funds:			
Cash	B-1	1,203,281.16	2,121,181.34
Due From Current Fund	B-9	76,332.92	67,133.46
		<u>1,279,614.08</u>	<u>2,188,314.80</u>
Length of Service Award Programs - Unaudited:			
Investments		<u>795,011.55</u>	<u>692,518.22</u>
Total Assets		<u>\$ 2,077,307.11</u>	<u>2,884,759.60</u>
<b><u>Liabilities and Reserves</u></b>			
Dog License Fund:			
Reserve for:			
Due to State	B-3	\$ 4.80	1.20
Dog Fund Expenditures	B-2	<u>2,676.68</u>	<u>3,925.38</u>
		<u>2,681.48</u>	<u>3,926.58</u>
Other Funds:			
Reserve for:			
Unemployment Insurance	B-4	22,278.74	203.52
Interfund Current	A	5,490.80	5,490.80
Marriage License Fees Due State of N.J.	B-5	835.20	560.00
Engineering Fees	B-7	166,148.30	152,927.29
Recreation Commission	B-6	5,395.48	42,741.64
Mt. Laurel Trust	B-8	824,982.64	1,717,880.09
Law Enforcement	B-10	18,245.51	17,213.99
Planning Board I	B-11	114,035.68	141,661.44
Planning Board II	B-12	790.21	790.09
Junior Lifeguards	B-13	45,078.60	41,712.48
Reserve for Recycling	B-9	75,059.45	66,215.99
Reserve P.O.A.A.	B-9	<u>1,273.47</u>	<u>917.47</u>
		<u>1,279,614.08</u>	<u>2,188,314.80</u>
Length of Service Award Programs - Unaudited:			
Reserve for Length of Service Award Programs		<u>795,011.55</u>	<u>692,518.22</u>
Total Liabilities and Reserves		<u>\$ 2,077,307.11</u>	<u>2,884,759.60</u>

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

18.

**BALANCE SHEET - GENERAL CAPITAL FUND**

Exhibit C

**DECEMBER 31,****REGULATORY BASIS**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Cash - Checking	C-2	\$ 1,126,872.57	154,467.29
Interfund Grant Fund	C-3	583,559.66	387,466.54
Deferred Charges to Future Taxation			
Funded		1,815,497.00	2,152,450.00
Unfunded	C-4	2,540,875.00	2,320,875.00
		<u>4,939,931.66</u>	<u>4,860,791.54</u>
Total Assets		<u>\$ 6,066,804.23</u>	<u>5,015,258.83</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
General Serial Bonds	C-7	\$ 1,815,497.00	2,152,450.00
Due to Current Fund	C-3		218.46
Bond Anticipation Notes	C-8	1,304,250.00	1,614,250.00
Capital Improvement Fund	C-5	137,500.00	117,500.00
Accounts Payable	C-6		161,886.44
Reserve For:			
Newark Avenue	C-3	913,975.92	211,351.73
Pool Improvements	C-3	68,069.06	127,432.92
Building Improvements	C-3	23,387.63	100,000.00
Sale of Property	C-3	896,163.00	
Improvement Authorizations:			
Funded	C-6	41,186.30	11,011.30
Unfunded	C-6	797,405.34	449,788.00
Fund Balance	C-1	<u>69,369.98</u>	<u>69,369.98</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,066,804.23</u>	<u>5,015,258.83</u>

There were Bonds and Notes authorized but not issued on December 31, 2014 for \$1,236,625.00 and on December 31, 2013 for \$706,625.00 (Exhibit C-9).

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

19.

GENERAL CAPITAL FUND

Exhibit C-1

STATEMENT OF FUND BALANCE

REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013 and 2014	C	<u>\$ 69,369.98</u>

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

20.

**BALANCE SHEET - WATER-SEWER UTILITY FUND****Exhibit D  
Sheet 1 of 2****DECEMBER 31,****REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Assets</u></b>			
<b><u>Operating Fund</u></b>			
Cash	D-4	\$ 307,937.05	320,836.76
Accounts Receivable:			
Consumer Accounts Receivable	D-6	522,042.25	386,535.72
Total Operating Fund		829,979.30	707,372.48
<b><u>Capital Fund</u></b>			
Cash	D-4	31,940.10	21,940.10
Fixed Capital	D-10	5,324,305.24	5,324,305.24
Fixed Capital Authorized and Uncompleted	D-13	4,736,813.00	4,745,813.00
		10,061,118.24	10,070,118.24
Total Capital Fund		10,093,058.34	10,092,058.34
Total Assets		\$ 10,923,037.64	10,799,430.82

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

21.

**BALANCE SHEET - WATER-SEWER UTILITY FUND****DECEMBER 31,****REGULATORY BASIS****Exhibit D  
Sheet 2 of 2**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Operating Fund</u></b>			
Liabilities:			
Appropriation Reserves	D-3	\$ 69,941.33	116,959.60
Encumbrances	D-3	12,050.78	67,373.14
Accrued Interest on Bonds	D-9	1,500.70	2,845.64
Reserve for Overpayments		81.33	81.33
		83,574.14	187,259.71
Reserve for Receivables		522,042.25	386,535.72
Fund Balance	D-1	224,362.91	133,577.05
Total Operating Fund		829,979.30	707,372.48
<b><u>Capital Fund</u></b>			
Serial Bonds	D-15	3,987,510.00	4,286,845.00
Improvement Authorizations:			
Funded	D-12	16,134.76	12,079.76
Unfunded	D-12	201,029.13	201,029.13
Encumbrances	D-5		4,055.00
Capital Improvement Fund	D-11	40,150.00	30,150.00
Reserve for Amortization	D-14	4,923,283.24	4,632,948.24
Deferred Reserve for Amortization	D-8	910,408.00	910,408.00
Fund Balance	D-a	14,543.21	14,543.21
Total Capital Fund		10,093,058.34	10,092,058.34
Total Liabilities, Reserves and Fund Balance		\$ 10,923,037.64	10,799,430.82

There were Bonds and Notes authorized but not issued on December 31, 2013 of \$337,317.00 and at December 31, 2014 (Exhibit D-16).

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

22.

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-a

STATEMENT OF FUND BALANCE

REGULATORY BASIS

	<u>Ref.</u>	
	D	
Balance December 31, 2013 and 2014		<u>\$ 14,543.21</u>

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

23.

Exhibit D-1

**WATER-SEWER UTILITY OPERATING FUND****STATEMENT OF OPERATIONS AND****CHANGES IN FUND BALANCE****REGULATORY BASIS**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>Revenue and Other Income Realized</u></b>			
Operating Surplus Anticipated	D-2	\$ 100,179.83	153,000.00
Water-Sewer Fees	D-2	2,181,491.44	1,905,606.19
Current Water Usage	D-2	145,000.00	145,000.00
Miscellaneous Revenue Not Anticipated	D-2	214,504.11	207,264.45
Community Disaster Loan			200,000.00
Other Credits to Income:			
Appropriation Reserves Lapsed	D-7	100,870.14	37,459.06
		<u>2,742,045.52</u>	<u>2,648,329.70</u>
<b><u>Expenditures</u></b>			
Operating:			
Salaries and Wages	D-3	216,000.00	207,500.00
Other Expenses	D-3	194,750.00	194,750.00
Payment to South Monmouth Regional Sewerage Authority	D-3	823,971.13	794,201.77
N.J. Water Supply Authority	D-3	120,000.00	115,000.00
Monmouth County Improvement Authority			
SEMMUA	D-3	425,259.44	426,911.88
Financial Administration - Salaries and Wages	D-3	25,000.00	24,000.00
Financial Administration - Other Expenses	D-3	18,500.00	18,500.00
Engineering Services	D-3	5,000.00	5,000.00
Utility Expenses	D-3	110,350.00	110,350.00
Insurance	D-3	77,250.00	78,000.00
Capital Improvement Fund	D-5	10,000.00	10,000.00
Debt Service	D-3	479,672.36	482,746.50
Deferred Charges and Statutory Expenditures	D-3	45,326.90	48,821.05
Deficit in Operations in Prior Years	D-3		50,303.48
		<u>2,551,079.83</u>	<u>2,566,084.68</u>
Excess Revenue		190,965.69	82,245.02
Fund Balance January 1	D	133,577.05	204,332.03
		<u>324,542.74</u>	<u>286,577.05</u>
Decreased by:			
Anticipated as Current Year Revenue	D-2	100,179.83	153,000.00
Fund Balance December 31	D	<u>\$ 224,362.91</u>	<u>133,577.05</u>

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

**WATER-SEWER UTILITY OPERATING FUND**

Exhibit D-2

**STATEMENT OF REVENUES - YEAR 2014****REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Budget</u></b>	<b><u>Realized</u></b>	<b><u>Excess or (Deficit)</u></b>
Operating Surplus Anticipated	D-1	\$ 100,179.83	100,179.83	
Rents - Water and Sewer	D-1	2,150,000.00	2,181,491.44	31,491.44
Current Fund Water Use	D-1,4	145,000.00	145,000.00	
Miscellaneous	D-1	155,900.00	214,504.11	58,604.11
		<u>\$ 2,551,079.83</u>	<u>2,641,175.38</u>	<u>90,095.55</u>

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



**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

**WATER-SEWER OPERATION FUND**

Exhibit D-3

**STATEMENT OF EXPENDITURES - YEAR 2014**

**REGULATORY BASIS**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 216,000.00	216,000.00	213,898.40	2,101.60
Other Expenses	194,750.00	194,750.00	159,266.36	35,483.64
Payments to South Monmouth Regional Sewerage Authority	823,971.13	823,971.13	823,971.12	0.01
N.J. Water Supply Authority	120,000.00	120,000.00	114,949.08	5,050.92
S.E.M.M.U.A.	425,259.44	425,259.44	425,259.44	-
Financial Administration - Salaries and Wages	25,000.00	25,000.00	23,843.00	1,157.00
Financial Administration - Other Expenses	18,500.00	18,500.00	13,000.00	5,500.00
Engineering Services	5,000.00	5,000.00	5,000.00	-
Utility Expenses	110,350.00	110,350.00	94,092.53	16,257.47
Group Insurance For Employees	42,000.00	42,000.00	41,940.98	59.02
Workmen's Compensation	15,100.00	15,100.00	15,077.97	22.03
Other Insurance	20,150.00	20,150.00	20,148.18	1.82
Capital Improvements:				
Capital Improvement Fund	10,000.00	10,000.00	10,000.00	-
Debt Service:				
Payment of Bond Principal	299,335.00	299,335.00	299,335.00	-
Interest on Bonds	180,337.36	180,337.36	180,337.36	-
Statutory Expenditures:				
Contribution to:				
Public Employee's Retirement System	26,890.40	26,890.40	26,890.40	-
Social Security System (O.A.S.I.)	18,436.50	18,436.50	14,128.68	4,307.82
Total Water-Sewer Utility Appropriations	<u>\$2,551,079.83</u>	<u>2,551,079.83</u>	<u>2,481,138.50</u>	<u>69,941.33</u>
	<u>Ref.</u>	<u>D-1</u>	<u>D</u>	<u>D</u>
Disbursed	D-4		\$2,469,087.72	
Encumbrances	D		12,050.78	
			<u>\$2,481,138.50</u>	

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

**BALANCE SHEET - DEDICATED BEACH UTILITY****REGULATORY BASIS****DECEMBER 31,**

	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Assets</u></b>			
<b><u>Operating Fund</u></b>			
Cash	E-4	\$ 343,391.61	39,489.88
Interfund Beach Capital	E-4	450,000.00	450,000.00
Total Operating Fund		<u>793,391.61</u>	<u>489,489.88</u>
<b><u>Capital Fund</u></b>			
Cash	E-4	129,519.90	100,784.86
Fixed Capital		2,966,008.07	2,966,008.07
Fixed Capital Authorized and Uncompleted	E-8	7,140,000.00	7,140,000.00
Total Capital Fund		<u>10,235,527.97</u>	<u>10,206,792.93</u>
Total Assets		<u>\$ 11,028,919.58</u>	<u>10,696,282.81</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Operating Fund</u></b>			
Appropriation Reserves	E-3,6	\$ 68,916.58	46,938.63
Encumbrances	E-3	33,534.62	22,656.55
Prepaid Badges	E-4	11,841.08	15,755.00
Reserve for Donation	E-4	71,205.00	71,205.00
Accrued Interest	E-4	1,504.80	13,539.89
Fund Balance	E-1	606,389.53	319,394.81
Total Operating Fund		<u>793,391.61</u>	<u>489,489.88</u>
<b><u>Capital Fund</u></b>			
Serial Bonds	E-12	247,992.00	404,704.00
Bond Anticipation Notes	E-13	1,873,750.00	1,298,750.00
Interfund Beach Operating	E-5	450,000.00	450,000.00
Interfund-Pool Capital	E-5	400,000.00	980,000.00
Improvement Authorizations:			
Funded	E-7	3,299.39	3,299.39
Unfunded	E-7	108,208.57	552,413.53
Capital Improvement Fund	E-9	67,750.00	48,750.00
Reserve to Pay Bonds and Notes	E-10	560,411.94	2,791,471.94
Reserve for Deferred Amortization		467,250.00	467,250.00
Reserve for Amortization	E-11	6,056,466.07	3,209,754.07
Fund Balance	E-a	400.00	400.00
Total Capital Fund		<u>10,235,527.97</u>	<u>10,206,792.93</u>
Total Liabilities Reserves and Fund Balance		<u>\$ 11,028,919.58</u>	<u>10,696,282.81</u>

There were bonds and notes authorized but not issued on December 31, 2013 of \$4,900,550.00 and \$1,535,550.00 at December 31, 2014. (Exhibit E-14)

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

27.

BEACH UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE

Exhibit E-a

REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013 and 2014	E	<u>\$ 400.00</u>

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

DEDICATED BEACH UTILITY

Exhibit E-1

STATEMENT OF OPERATIONS AND  
CHANGE IN OPERATING FUND BALANCE  
REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2014</u>	<u>Year 2013</u>
<b><u>Revenue and Other Income Realized</u></b>			
Operating Fund Balance Anticipated	E-2	\$ 276,731.29	138,518.63
Beach Fees	E-2	2,559,066.50	2,283,204.82
Miscellaneous Revenue	E-4	14,115.37	139,371.21
Other Credits to Income:			
Reserve To Pay Bonds and Notes		2,745,528.49	
Appropriation Reserves Lapsed	E-6	54,015.65	75,465.87
		<u>5,649,457.30</u>	<u>2,636,560.53</u>
<b><u>Expenditures</u></b>			
Operating:			
Salaries and Wages	E-3	1,428,750.00	1,284,500.00
Other Expenses	E-3	593,100.00	580,093.30
Capital Improvements	E-3	25,000.00	25,000.00
Debt Service	E-3	206,361.11	238,661.08
Deferred Charges	E-3	2,650,000.00	100,000.00
Statutory Expenditures	E-3	182,520.18	198,264.25
		<u>5,085,731.29</u>	<u>2,426,518.63</u>
Excess in Revenue		563,726.01	210,041.90
Fund Balance January 1	E	<u>319,394.81</u>	<u>247,871.54</u>
		883,120.82	457,913.44
Decreased by:			
Utilized as Anticipated Revenue	E-2	<u>276,731.29</u>	<u>138,518.63</u>
Fund Balance December 31	E	<u>\$ 606,389.53</u>	<u>319,394.81</u>

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH****DEDICATED BEACH UTILITY**

Exhibit E-2

**STATEMENT OF REVENUES - 2014****REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Budget</u></b>	<b><u>Realized</u></b>	<b><u>Excess or Deficit</u></b>
Operating Surplus Anticipated	E-1	\$ 276,731.29	276,731.29	
Beach Fees	E-1-4	2,159,000.00	2,559,066.50	400,066.50
Reserve to Pay Bonds and Notes	E-4	2,650,000.00	2,745,528.49	95,528.49
		<u>\$ 5,085,731.29</u>	<u>5,581,326.28</u>	<u>495,594.99</u>
Beach Fees				
Cash	E-4		\$ 2,543,311.50	
Prepaid	E		15,755.00	
			<u>\$ 2,559,066.50</u>	

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

DEDICATED BEACH UTILITY

Exhibit E-3  
Sheet 1 of 2

STATEMENT OF EXPENDITURES - 2014

REGULATORY BASIS

	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 794,000.00	794,000.00	792,558.53	1,441.47
Other Expenses	87,050.00	87,050.00	79,484.98	7,565.02
Maintenance:				
Salaries and Wages	401,000.00	401,000.00	398,801.90	2,198.10
Other Expenses	50,250.00	50,250.00	46,975.59	3,274.41
Financial Administration:				
Other Expenses	8,100.00	8,100.00	6,800.00	1,300.00
Police:				
Salaries and Wages	133,750.00	133,750.00	133,312.93	437.07
Salaries and Wages - Beach Patrol	100,000.00	100,000.00	100,000.00	-
Other Expenses	36,700.00	36,700.00	28,201.05	8,498.95
Legal:				
Other Expenses	5,000.00	5,000.00		5,000.00
Insurance:				
Other Insurance	137,000.00	137,000.00	137,000.00	-
Group Insurance	65,000.00	65,000.00	63,068.36	1,931.64
Vehicle Maintenance:				
Other Expenses	22,000.00	22,000.00	21,448.62	551.38
Utility Expenses:				
Other Expenses	65,000.00	65,000.00	53,372.92	11,627.08
Engineering:				
Other Expenses	15,000.00	15,000.00	8,268.75	6,731.25
Contribution to:				
Water-Sewer Utility	19,500.00	19,500.00	19,500.00	-
Sanitary Landfill	80,000.00	80,000.00	78,838.41	1,161.59
First Aid	2,500.00	2,500.00	1,879.47	620.53

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

Exhibit E-3  
Sheet 2 of 2

**DEDICATED BEACH UTILITY**

**STATEMENT OF EXPENDITURES - 2014**

**REGULATORY BASIS**

	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Capital Improvements:				
Capital Outlay	25,000.00	25,000.00	25,000.00	-
Debt Service:				
Payment of Bond Principal	156,712.00	156,712.00	156,712.00	-
Payment of Bond Anticipation Notes and Capital Notes	40,000.00	40,000.00	40,000.00	-
Interest on Bonds	4,421.11	4,421.11	4,421.11	-
Interest on Notes	5,228.00	5,228.00	5,228.00	-
Deferred Charges				
Ordinance 2012-05	50,000.00	50,000.00	50,000.00	-
Ordinance 2013-4	2,600,000.00	2,600,000.00	2,600,000.00	-
Statutory Expenditures:				
Public Employees' Retirement System	26,890.40	26,890.40	26,890.40	-
Social Security System (O.A.S.I.)	109,299.38	109,299.38	93,523.19	15,776.19
Unemployment Compensation	15,000.00	15,000.00	14,198.10	801.90
Police & Firemen's Retirement System	31,330.40	31,330.40	31,330.40	-
	<u>\$ 5,085,731.29</u>	<u>5,085,731.29</u>	<u>5,016,814.71</u>	<u>68,916.58</u>
				E
Encumbrances			\$ 33,534.62	
Disbursed			<u>4,983,280.09</u>	
			<u>\$5,016,814.71</u>	

**Ref.**

Encumbrances  
Disbursed

E  
E-4

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

BALANCE SHEET - DEDICATED POOL UTILITYREGULATORY BASISDECEMBER 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
<u>Operating Fund</u>			
Cash	F-4	\$ 277,085.21	298,539.10
Interfund Pool Capital	Contra	410,051.69	158,926.56
Total Operating Fund		<u>687,136.90</u>	<u>457,465.66</u>
<u>Capital Fund</u>			
Interfund Beach Capital	F-5	400,000.00	980,000.00
Fixed Capital Authorized and Uncompleted	F-7	5,820,000.00	5,820,000.00
		<u>6,220,000.00</u>	<u>6,800,000.00</u>
Total Assets		<u>\$ 6,907,136.90</u>	<u>7,257,465.66</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Operating Fund</u>			
Appropriation Reserves	F-3	\$ 90,950.87	94,272.79
Encumbrances	F-3	5,710.32	4,149.80
Accrued Interest on Bonds		49,700.50	50,000.00
Fund Balance	F-1	540,775.21	309,043.07
Total Operating Fund		<u>687,136.90</u>	<u>457,465.66</u>
<u>Capital Fund</u>			
Serial Bonds	F-10	4,780,000.00	4,830,000.00
Interfund Due Pool Operating	Contra	410,051.69	158,926.56
Improvement Authorizations:			
Funded	F-6	1,507.89	52,022.98
Unfunded	F-6	5,000.00	
Encumbrances	F-6		785,610.04
Capital Improvement Fund	F-8	45,000.00	45,000.00
Deferred Reserve for Amortization	F-9	968,000.00	918,000.00
Fund Balance	F-a	10,440.42	10,440.42
Total Capital Fund		<u>6,220,000.00</u>	<u>6,800,000.00</u>
Total Liabilities Reserves and Fund Balance		<u>\$ 6,907,136.90</u>	<u>7,257,465.66</u>

There were no Bonds and Notes authorized but not issued on December 31, 2014 and December 31, 2013.

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

POOL UTILITY CAPITAL FUNDSTATEMENT OF FUND BALANCE

Exhibit F-a

REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013 and 2014	F	<u>\$ 10,440.42</u>

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



**DEDICATED POOL UTILITY**

Exhibit F-1

**STATEMENT OF OPERATIONS AND****OPERATING FUND BALANCE****REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Year 2014</u></b>	<b><u>Year 2013</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	F-2	\$ 215,611.18	154,253.85
Pool Fees by Ordinance	F-2	898,339.78	544,365.23
Miscellaneous Revenue	F-2	92,635.45	63,269.47
Miscellaneous Revenue Not Anticipated	F-4	17,202.43	
Other Credits to Income:			
Appropriation Reserves Lapsed	F	94,165.66	111,963.04
		<u>1,317,954.50</u>	<u>873,851.59</u>
<b><u>Expenditures</u></b>			
Operating:			
Salaries and Wages	F-3	230,050.00	263,800.00
Other Expenses	F-3	307,000.00	202,800.00
Debt Service	F-3	254,373.73	111,917.50
Capital	F-3	25,000.00	20,000.00
Statutory Expenditures	F-3	54,187.45	50,736.35
		<u>870,611.18</u>	<u>649,253.85</u>
Excess in Revenue		447,343.32	224,597.74
Fund Balance January 1		<u>309,043.07</u>	<u>238,699.18</u>
		756,386.39	463,296.92
Less: Surplus Utilized as Anticipated Revenue	F-2	<u>215,611.18</u>	<u>154,253.85</u>
Fund Balance December 31	F	<u>\$ 540,775.21</u>	<u>309,043.07</u>

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH****DEDICATED POOL UTILITY**

Exhibit F-2

**STATEMENT OF REVENUES - 2014****REGULATORY BASIS**

	<b><u>Budget</u></b>	<b><u>Realized</u></b>	<b><u>Excess or Deficit</u></b>
Surplus Anticipated	\$ 215,611.18	215,611.18	
Pool Fees by Ordinance	540,000.00	898,339.78	358,339.78
Miscellaneous Revenue	65,000.00	92,635.45	27,635.45
Reserve For Interest on Bonds	50,000.00		(50,000.00)
	<b><u>\$ 870,611.18</u></b>	<b><u>1,206,586.41</u></b>	<b><u>335,975.23</u></b>

**Ref.**

F-1

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

DEDICATED POOL UTILITY

STATEMENT OF EXPENDITURES - 2014

REGULATORY BASIS

	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 212,000.00	212,000.00	175,154.94	36,845.06
Other Expenses	39,500.00	39,500.00	25,116.61	14,383.39
Administrative and Executive				
Salaries and Wages	9,500.00	9,500.00	9,484.10	15.90
Other Expenses	1,250.00	1,250.00		1,250.00
Audit Services				
Other Expenses	5,200.00	5,200.00	4,700.00	500.00
Legal Services				
Other Expenses	1,000.00	1,000.00		1,000.00
Insurance:				
Liability	21,600.00	21,600.00	21,574.09	25.91
Workmen's Compensation	17,500.00	17,500.00	17,181.72	318.28
Group Plan for Employees	21,000.00	21,000.00	20,970.40	29.60
Other Public Works Functions				
Salaries and Wages	115,000.00	115,000.00	114,761.84	238.16
Other Expenses	57,000.00	57,000.00	44,558.53	12,441.47
Electric	17,000.00	17,000.00	4,058.82	12,941.18
Telephone	500.00	500.00	330.77	169.23
Landfill	5,000.00	5,000.00		5,000.00
Water	14,000.00	14,000.00	14,000.00	-

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

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

Exhibit F-3  
Sheet 2 of 2

DEDICATED POOL UTILITY

STATEMENT OF EXPENDITURES - 2014

REGULATORY BASIS

	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Capital Improvements:				
Capital Outlay	25,000.00	25,000.00	25,000.00	-
Debt Service				
Payment of Bond Principal	49,000.00	49,000.00	49,000.00	-
Interest on Bonds	205,373.73	205,373.73	205,373.73	-
Statutory Expenditures:				
Social Security System (O.A.S.I.)	25,742.25	25,742.25	19,949.56	5,792.69
Unemployment Compensation	15,000.00	15,000.00	15,000.00	-
Public Employees Retirement System	13,445.20	13,445.20	13,445.20	-
	<u>\$ 870,611.18</u>	<u>870,611.18</u>	<u>779,660.31</u>	<u>90,950.87</u>

Ref.

F

Encumbered  
Disbursed

\$ 5,710.32  
773,949.99

\$ 779,660.31

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

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

37.

**BALANCE SHEET - FIXED ASSETS**

**Exhibit G**

**DECEMBER 31,**

**REGULATORY BASIS**

	<u>2014</u>	<u>2013</u>
<b><u>Assets</u></b>		
General Fixed Assets:		
Building and Land	\$ 14,709,480.00	14,709,480.00
Machinery and Equipment	<u>7,373,061.00</u>	<u>7,220,530.00</u>
Total Assets	<u>\$ 22,082,541.00</u>	<u>21,930,010.00</u>
<b><u>Reserves</u></b>		
Reserve for Fixed Assets	<u>\$ 22,082,541.00</u>	<u>21,930,010.00</u>

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

**BOROUGH OF SPRING LAKE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

**A. Reporting Entity**

Except as noted below, the financial statements of the Borough of Spring Lake, County of Monmouth, include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Spring Lake as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the Board of Education, First Aid Organization or Volunteer Fire Company, which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2014.

**B. Description of Funds**

The accounting policies of the Borough of Spring Lake conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of Spring Lake accounts for its financial transactions through the following separate funds:

**Current Fund** – resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

**General Capital Fund** – receipt and disbursement of funds for the acquisition of general capital facilities, other than those required in the Current Fund.

**Water Operating and Capital Funds** – account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

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

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### B. Description of Funds (Continued)

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

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

General Fixed Assets – record fixed assets.

Grant Funds – record Federal and State grants.

### C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

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

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31<sup>st</sup> of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Foreclosed Property – Foreclosed property is recorded in the Current Fund as the assessed valuation when such property was acquired and is fully reserved.

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**General Fixed Assets** – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

Fixed assets used in governmental operations (general fixed assets) are 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.

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

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are 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 under the Requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Water-Sewer Utility Fund, the Beach and Pool Utility Funds 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. Contribution in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital funds represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

**D. Financial Statements**

The GASB Codification requires the financial statements of a governmental unit to be prepared 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.



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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: 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.

**Summary of Municipal Debt**

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 3,119,747.00	3,766,700.00	4,391,099.00
Water-Sewer Utility, Beach and Pool Utility:			
Bonds and Notes	<u>10,890,252.00</u>	<u>10,820,299.00</u>	<u>5,843,900.00</u>
Net Debt Issued	<u>14,009,999.00</u>	<u>14,586,999.00</u>	<u>10,234,999.00</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	1,236,625.00	706,625.00	231,625.00
Water-Sewer Utility, Beach and Pool Utility:			
Bonds and Notes	<u>1,872,867.00</u>	<u>5,137,867.00</u>	<u>7,082,867.00</u>
Total Authorized but not Issued	<u>3,109,492.00</u>	<u>5,988,492.00</u>	<u>7,314,492.00</u>
Less: Funds Held for Payment of			
Bonds and Notes	<u>431,937.43</u>	<u>3,162,950.03</u>	<u>466,960.05</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 16,687,553.57</u>	<u>17,312,540.97</u>	<u>17,082,530.95</u>

**NOTE 2: DEBT (CONTINUED)****A. Long-Term Debt**

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

**General Capital Fund**

Variable Rate General Improvements Serial Bonds Issued December 1, 2004 through December 1, 2020 – 3% to 5.25%	\$ 1,240,000.00
Variable Rate Refunding Bonds issued April 12, 2007 payable December 31, 2008 through December 31, 2018 – 4% - 5%	<u>575,497.00</u>
	<u>\$ 1,815,497.00</u>

**Water-Sewer Utility Capital Fund**

Variable rate loan for issued bonds December 14, 1995 with Maturities July 15, 1996 Due through July 15, 2015 3.65% to 5.50%	\$ 50,000.00
Variable Rate Water-Sewer Utility General Improvement Bonds Issued December 1, 2004 due through December 1, 2021 3% to 5.25%	495,000.00
Variable Rate Water-Sewer Refunding Bonds Issued April 12, 2007 due December 1, 2008 through December 1, 2021 4% to 5%	547,510.00
Variable Rate Water-Sewer General Improvement Bonds Issued December 1, 2011 due through December 1, 2032 2% to 5%	<u>2,895,000.00</u>
	<u>\$ 3,987,510.00</u>

The bonds mature serially in installments to the year 2032.

**Beach Utility Capital**

Variable Rate General Improvements:

December 1, 2004 through December 1, 2015 @ 3% to 5.25%	\$ 105,000.00
Variable Rate Refunding Bonds: Issued April 12, 2007 Maturing on December 1, 2008 through December 1, 2017 - \$5 to 5%	<u>142,992.00</u>
	<u>\$ 247,992.00</u>

**NOTE 2: DEBT (CONTINUED)****A. Long-Term Debt (Continued)****Pool Utility Capital Fund**

Variable Rate Pool Utility General Improvement Bonds Issued

December 1, 2004 due through December 1, 2019 – 3% to 5.25% \$ 281,000.00

Variable Rate Pool Utility General Improvement Bonds Issued

December 1, 2013 due through December 1, 2033-3% to 5.00% 4,500,000.00

\$ 4,781,000.00**Summary of Statutory Debt Condition – Annual Debt Statement – December 31, 2014**

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 0.115%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 965,400.00	965,400.00	
Pool, Beach & Water-Sewer Utility Debt	12,763,119.00	12,763,119.00	
General Debt	<u>4,356,372.00</u>	<u>431,937.43</u>	<u>3,924,434.57</u>
	<u>\$ 18,084,891.00</u>	<u>14,160,456.43</u>	<u>3,924,434.57</u>

Net Debt \$3,924,434.57 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,398,973,080.33 = 0.115%.

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

3% of Equalized Valuation Basis (Municipal)

\$ 101,969,192.40

Net Debt

3,924,434.57

Remaining Borrowing Power

\$ 98,044,757.83**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Calendar Year</u>	<u>General</u>		<u>Beach, Pool and Water-Sewer Utility</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 349,615.00	78,375.00	690,385.00	397,878.50
2016	368,271.00	62,445.00	556,728.00	368,559.50
2017	247,726.00	45,681.00	449,273.00	343,572.50
2018	274,885.00	34,995.00	453,116.00	323,981.50
2019	185,000.00	23,600.00	575,000.00	304,402.50
2020-2024	390,000.00	23,600.00	2,261,000.00	1,172,052.50
2025-2029			2,300,000.00	700,562.50
2029-2033			<u>1,730,000.00</u>	<u>168,650.50</u>
	<u>\$ 1,815,497.00</u>	<u>268,696.00</u>	<u>9,015,502.00</u>	<u>3,779,660.00</u>

**NOTE 2: DEBT (CONTINUED)****Calculation of "Self-Liquidating Purpose" Water-Sewer Utility Per N.J.S. 40A:2-45**

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 2,641,175.38
Deductions:		
Operating and Maintenance Cost	2,061,407.47	
Debt Service Per Water-Sewer Account	<u>479,672.36</u>	
		<u>2,541,079.83</u>
Excess in Revenue		<u>\$ 100,095.55</u>

**Calculation of "Self-Liquidating Purpose" Beach Operating Utility Per N.J.S. 40A:2-45**

Cash Receipts From Fees, Rents or Other Charges for Year		\$ 5,581,326.28
Deductions:		
Operating and Maintenance Cost	4,854,370.18	
Debt Service	<u>206,361.11</u>	
		<u>5,060,731.29</u>
Excess in Revenues		<u>\$ 520,594.99</u>

**Calculation of "Self-Liquidating Purpose" Pool Operating Utility Per N.J.S. 40A:2-45**

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 1,206,586.41
Deductions:		
Operating and Maintenance Cost	591,237.45	
Debt Service	<u>254,373.73</u>	
		<u>845,611.18</u>
Excess in Revenues		<u>\$ 360,975.23</u>

A revised Annual Debt Statement has been filed by the Chief Financial Officer.

**NOTE 2: DEBT (CONTINUED)****B. Short-Term Debt****General Capital Fund**

Bond Anticipation Notes issued 4/11/14 maturing 4/11/15 @ 0.75%	1,304,250.00
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**Beach Capital**

Bond Anticipation Notes issued 4/11/14 maturing 4/11/15 @ 0.75%	258,750.00
Bond Anticipation Notes issued 12/31/14 maturing 12/31/15 @ no interest	1,615,000.00

**NOTE 3: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014, were as follows:

Current Fund	\$1,900,000.00
Beach Utility Operating Fund	455,684.01
Water-Sewer Utility Operating Fund	199,062.27
Pool Utility Operating Fund	248,030.75

**NOTE 4: PENSIONS**

Employees who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of State of New Jersey. The three State-administered plans are: (1) the Public Employee's Retirement System; (2) the Consolidated Police and Firemen's Pension Fund, and (3) the Police and Firemen's Retirement System. The Division annually charge municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employee's. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$582,208.00 for 2014 and \$613,801.00 for 2013.

Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement Systems and, therefore, is not presented.

**NOTE 5: 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.

**NOTE 5: CASH AND CASH EQUIVALENTS (Continued)**

**A. Deposits (Continued)**

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000.00.

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 one tenth 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 June 30, 1999 (the date of the Fund's most recent report), the balance available in the Reserve Fund was slightly in excess of one and seven tenths percent of the value of "Other Than State" participant assets held by the Fund.

The carrying amount of the Borough's deposits at year-end including certificates of deposit was \$6,678,669.97. Of this amount \$382,612.28 was covered by Federal depository insurance and the remaining \$6,296,057.69 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

The investments recorded in the general-purpose financial statements have been recorded at the carrying amount. The difference between the carrying amount and market value is not material to the general-purpose financial statements.

**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 of America or obligations guaranteed by the United States of America.
- (2) Government money market mutual funds.

**NOTE 5: CASH AND CASH EQUIVALENTS (Continued)**

**B. Investments (Continued)**

- (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 located within the Borough.
- (5) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (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.
- 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 instruments.
- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Cash and cash equivalents included petty cash, change funds, amounts in deposits and short-term investments with original maturities of three months or less.

**NOTE 5: CASH AND CASH EQUIVALENTS (CONTINUED)****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 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 to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Insured:		
FDIC	\$ 382,612.28	401,564.02
GUDPA	<u>6,296,057.69</u>	<u>6,835,041.05</u>
	<u>\$ 6,678,669.97</u>	<u>7,236,605.07</u>

**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 6: TAXES COLLECTED IN ADVANCE**

Taxes 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	<u>\$506,683.45</u>	<u>445,200.39</u>
Cash Liability for Taxes Collected in Advance	<u>\$506,683.45</u>	<u>445,200.39</u>

**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 (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 (Collector) on or before May 13<sup>th</sup>.

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 installments on August 1<sup>st</sup> 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 1<sup>st</sup> and May 1<sup>st</sup>. 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 subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien on real estate as of January 1<sup>st</sup> of the current tax year even though the amount due is not known.

**NOTE 8: DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

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

**NOTE 9: LITIGATION**

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 to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

Negligence and other types of liability suits, of which the Borough is aware, appear to be with the stated policy limits and would be deferred by the respective carriers.

**NOTE 10: FAIR VALUES OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the Borough of Spring Lake in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

**NOTE 11: RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disaster. The Borough is a member of the Monmouth County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property.

**NOTE 12: DEFERRED COMPENSATION**

The Borough's Deferred Compensation Program is offered to all Borough employees. The program was created in accordance with Section 457 of the Internal Revenue Code. The program is offered by the Borough through a program administrator, Nationwide Retirement Solutions. The program had a balance of \$859,449.21 at December 31, 2014.

All compensation deferred under the program and all income attributable to these amount are solely the property of the employee.

Federal law effective August 20, 1996 provides that deferrals under Section 457 are to be held in trust for the exclusive benefits of participants and their beneficiaries.

**NOTE 13: INTERFUND RECEIVABLES AND PAYABLES – DECEMBER 31, 2014**

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
Current Fund	\$ 5,490.80	76,332.92
Trust	76,332.92	5,490.80
General Capital	583,559.66	
Pool Capital	400,000.00	410,051.69
Beach Operating	450,000.00	
Beach Capital		850,000.00
Grants		583,559.66
Pool Operating	<u>410,051.69</u>	
	<u>\$ 1,925,435.07</u>	<u>1,925,435.07</u>

Fees collected or expenses paid from one fund due another.

**NOTE 14: ACCRUED SICK BENEFITS**

The Borough has permitted employees, within certain limitations, to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. The Borough at December 31, 2014 has a balance of \$346,450.45, of which \$-0- is funded.

**NOTE 15: SIGNIFICANT ACCOUNTING PRONOUNCEMENTS**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the Borough has updated references to GAAP in its financial statements issued for the period ended December 31, 2014. The adoption of FASB ASC 105 did not impact the Borough's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The Borough adopted the amended sections of ASC 855 and it did not have an impact on the Borough's financial statements. The Borough evaluated all events or transactions that occurred after December 31, 2014 through June 12, 2015.

**NOTE 16: SUBSEQUENT EVENTS**

On February 20, 2015 the Borough adopted a bond ordinance for Water/Sewer improvements on Ludow Avenue for \$400,000.00 and authorized \$380,000.00 of Water/Sewer Bonds to finance this project.

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

52.

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>% of Collection</u>
2014	\$ 23,577,361.75	23,332,762.39	98.96%
2013	23,025,452.15	22,693,471.78	98.56%
2012	22,537,843.87	22,053,543.12	97.85%

**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 Dec. 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	\$ -	321,924.97	321,924.97	1.36%
2013	-	280,526.66	280,526.66	1.21%
2012	-	482,452.24	482,452.24	2.14%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

No properties have been acquired in 2014 by foreclosure or deed, as a result of liquidation of tax title liens.

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, was as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 7,700.00
2013	7,700.00
2012	7,700.00

**COMPARISON OF WATER-SEWER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2014	\$ 2,316,997.97	2,281,491.44 *
2013	1,949,954.01	1,905,606.19 *
2012	2,179,671.11	2,008,214.00 *

\*Includes collections against prior years.

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<b><u>Current Fund</u></b>	2014	\$ 2,139,379.15	1,900,000.00
	2013	2,394,240.62	1,900,000.00
	2012	2,020,645.23	1,800,000.00
	2011	2,158,693.47	1,925,000.00
	2010	2,098,258.64	1,925,000.00
<b><u>Water-Sewer Utility</u></b>	2014	224,362.91	199,062.27
	2013	133,577.05	100,179.83
	2012	204,332.03	165,184.68
	2011	378,905.52	174,573.49
	2010	98,886.79	69,680.80
<b><u>Beach Utility</u></b>	2014	606,389.53	455,684.01
	2013	319,394.81	276,731.29
	2012	247,871.54	138,518.63
	2011	279,247.12	265,009.28
	2010	499,769.71	391,943.00
<b><u>Pool Utility</u></b>	2014	540,775.21	248,030.75
	2013	309,043.07	251,611.18
	2012	238,699.18	154,253.85
	2011	152,422.66	103,205.70
	2010	167,192.37	91,026.30

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Tax Rate	\$ 0.686	0.671	0.659

**Apportionment of Tax Rate**

Municipal	\$ 0.185	0.209	0.205
County	0.320	0.284	0.276
Local School	0.181	0.178	0.178

**Assessed Valuation**

2014	\$3,407,082,100.00
2013	3,399,889,500.00
2012	3,397,248,170.00

OFFICIALS IN OFFICE AND SURETY BONDS

54.

The following officials were in office during the period under review:

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Jennifer Naughton	Mayor	
Janice Venables	Councilwoman	
William C. Fay III	Councilman	
Joseph Erbe	Councilman	
Paul Jordan	Councilman	
Brendan Judge	Councilman-Council President	
David Frost	Councilman	
W. Bryan Dempsey	Borough Business Administrator	
Jane L Harban	Borough Clerk, Registrar of Vital Statistics and Office for Searches for Municipal Improvements	
Dina M. Partusch-Zahorsky	Deputy Borough Clerk	
Robbin Kirk	Chief Financial Officer	
	Tax & Water-Sewer Collector	\$ 1,000,000.00
Frances Florentine	Purchasing Agent, Assistant Treasurer	
Kathleen Capristo	Assistant to Municipal Clerk & Borough Administrator	
George C. Pappas	Judge	(1)
Kathryn Garrecht	Court Administrator	(1)
Joseph J. Colao, Jr.	Attorney	
Daniel Finn	Beach Manager, Pool Manager	
Albert P. Ratz	Uniform Construction Code Official, Building Sub-Code Official and Fire Sub-Code Official	
Stephen K Roe	Code Enforcement Official	
Matthew Zahorsky	Zoning Officer	
Wayne Clark & John Quigley	Plumbing Sub-Code Official	
Michael Giblin	Fire Official - Inspection	
Frank Phillips	Borough Superintendent	
Peter Avakian	Engineer	
Michael Sullivan & Jean Verrier	Electrical Inspector	
Brian Enright	Assessor	
Joseph P. Bauman	Bond Counsel	
Michele Heaton	Administrative Assistent	

(1) Interlocal service agreement with Borough of Belmar-bonded by Belmar

There was \$250,000.00 with the Joint Insurance Fund for "Faithful Performance Blanket Coverage".  
The Beach Manager is covered under this policy.

All of the bonds were examined and were properly executed.

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-4  
Sheet 1 of 2

SCHEDULE OF CASH - COLLECTOR - TREASURER

	<u>Ref.</u>	<u>Current</u>	<u>Grants</u>
Balance December 31, 2013	A	\$ 4,468,174.04	-
Increased by:			
Taxes Receivable	A-5	\$ 23,121,763.05	
Prepaid Taxes	A	506,683.45	
State of New Jersey Veterans & Senior Citizens	A-6	34,250.00	
Revenue Accounts Receivable	A-7	1,441,572.45	
Federal and State Grants Receivable	A-12		50,000.00
Federal and State Grants Unappropriated	A-14		26,536.44
Miscellaneous Revenue Not Anticipated	A-2	88,067.96	
Notes Held to Pay Bonds	Contra	101,689.43	
Change Funds	Contra	12,000.00	
Petty Cash	A	250.00	
Reserve For Donation	A	4,000.00	
Interest and Costs on Taxes	A-2	72,447.32	
Current Fund			96,222.89
Reserve to Pay Bonds		201,937.43	
Off Duty Police	A	8,282.50	
Trust Interfund	A	9,199.46	
Interfund Capital	C		196,093.12
Tax Title Lien Redemption Funds	A	101,724.88	
		<u>25,602,143.05</u>	<u>368,852.45</u>
		30,070,317.09	368,852.45

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-4  
Sheet 2 of 2

SCHEDULE OF CASH - COLLECTOR - TREASURER

	<u>Ref.</u>	<u>Current</u>	<u>Grants</u>
Decreased by:			
Change Funds	Contra	12,000.00	
Interfund-Beach Capital	A	615,000.00	
Budget Appropriations	A-3	9,053,854.13	
Appropriation Reserves	A-8	183,175.70	
Tree Replacement	A	14,247.28	
Other Reserves	A	38,694.75	
Encumbrances	A-9	189,805.06	
Business District Tax	A-2	68,000.00	
County Taxes Payable	A-10	9,847,758.94	
Local District School Tax	A-11	6,905,949.11	
Federal and State Grants Appropriated	A-13 & Contra	96,222.89	368,852.45
		<u>27,024,707.86</u>	<u>368,852.45</u>
Balance December 31, 2014	A	<u>\$ 3,045,609.23</u>	<u>-</u>



**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-5

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS**

**OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2013	2014 Levy	Cash		Veterans and Senior Citizens	Balance Dec. 31, 2014
			2013	2014		
2013	\$ 280,526.66			271,201.05		9,325.61
2014		23,645,361.75	445,200.39	22,850,562.00	37,000.00	312,599.36
	\$ 280,526.66	23,645,361.75	445,200.39	23,121,763.05	37,000.00	321,924.97
Ref.	A		A	A-4	A-6	A

**Ref.**

**Analysis of Tax Levy**

General Purpose Tax			\$ 23,508,752.16	
Added Taxes			136,609.59	
				\$ 23,645,361.75
Local District School Tax (Abstract)	A-11			\$ 6,145,869.00
General County Tax (Abstract)			\$ 9,273,553.41	
County Open Space Fund (Abstract)			505,651.66	
Added Taxes Due County - 2014			56,989.21	
				9,836,194.28
Business District Tax	A-12			
Local Taxes for Municipal Purposes	A-1		68,000.00	
Added Taxes	A-2		7,430,281.00	
			233,017.47	
				7,663,298.47
				\$ 23,645,361.75

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

58.

CURRENT FUND

Exhibit A-6

SCHEDULE OF DUE TO STATE OF NEW JERSEY

PER CHAPTER 20, P.L. 1971

	<u>Ref.</u>	
Balance December 31, 2013 (Due To)	A	\$ 4,965.43
Increased by:		
Receipts From State of New Jersey	A-4	<u>34,250.00</u>
		39,215.43
Decreased by:		
Deductions Per Tax Billing:		
Senior Citizens	\$ 500.00	
Veterans	<u>36,500.00</u>	
	A-5	<u>37,000.00</u>
Balance December 31, 2014 (Due To)	A	<u><u>\$ 2,215.43</u></u>

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

59.

**CURRENT FUND**

Exhibit A-7

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE****AS OF DECEMBER 31, 2014**

	<b><u>Ref.</u></b>	<b><u>Accrued</u></b>	<b><u>Receipts</u></b>
Licenses:			
Alcoholic Beverages	A-2	\$ 5,746.00	5,746.00
Food Handlers	A-2	1,520.00	1,520.00
Raffle	A-2	1,850.85	1,850.85
Hotel	A-2	7,200.00	7,200.00
Mercantile	A-2	835.00	835.00
Municipal Court	A-2	131,050.78	131,050.78
Uniform Construction Code Fees	A-2	139,837.44	139,837.44
Energy Receipts Tax	A-2	303,368.00	303,368.00
Regional Code Construction Department	A-2	204,103.64	204,103.64
Uniform Fire Safety Act	A-2	12,569.95	12,569.95
Reserve to Pay Notes	A-2	100,248.00	100,248.00
Reserve to Pay Bonds		41,230.09	41,230.09
Interest on Investments	A-2	869.83	869.83
Hotel Tax	A-2	227,790.60	227,790.60
		<u>1,178,220.18</u>	<u>1,178,220.18</u>
Miscellaneous Revenue Not Anticipated:			
Street Opening		47,490.00	47,490.00
HIF & JIF Dividend		62,259.44	62,259.44
Code Official Fees		41,865.00	41,865.00
Zoning & Planning		38,680.00	38,680.00
Verizon Franchise		27,020.83	27,020.83
Cable Franchise		46,037.00	46,037.00
	A-2	<u>263,352.27</u>	<u>263,352.27</u>
	A-4	<u>\$ 1,441,572.45</u>	<u>1,441,572.45</u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

60.

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Balance December 31, 2013	<u>Ref.</u> A		<u>\$ 1,075,728.29</u>
Decreased by:			
Disbursed	A-4	183,175.70	
Lapsed to Operations	A-1	<u>892,552.59</u>	
			<u>\$1,075,728.29</u>

SCHEDULE OF ENCUMBRANCES

Exhibit A-9

Balance December 31, 2013	<u>Ref.</u> A		\$ 189,805.06
Increased by:			
Budget	A-3		<u>157,594.36</u>
			347,399.42
Decreased by:			
Disbursed	A-4		<u>189,805.06</u>
Balance December 31, 2014	A		<u>\$ 157,594.36</u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

61.

CURRENT FUND

Exhibit A-10

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 68,553.87
Increased by:		
2014 Levy:		
General County Tax		9,273,553.41
County Open Space Fund		505,651.66
Added Taxes Due County - 2014		<u>56,989.21</u>
	A-5	<u>9,836,194.28</u>
		9,904,748.15
Decreased by:		
Payments	A-4	<u>9,847,758.94</u>
Balance December 31, 2014	A	<u>\$ 56,989.21</u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Exhibit A-11

	<u>Ref.</u>	
Balance December 31, 2013	A-5	\$ 760,080.11
Increased By:		
Levy School Year July 1, 2013 - June 30, 2014	A-5	<u>6,145,869.00</u>
		6,905,949.11
Decreased by:		
Payments	A-4	<u>\$ 6,905,949.11</u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

FEDERAL AND STATE GRANT FUND

Exhibit A-12

SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2013	2014 Budget Appropriation	Received	Canceled	Balance Dec. 31, 2014
New Jersey Department of Transportation: 2012	\$ 50,000.00		50,000.00		-
Fire Dept Grant					
Green Communities	3,000.00				3,000.00
Monmouth County Rain Garden	4,624.09				4,624.09
Monmouth County - First Aid Building	169,030.00				169,030.00
Wreck Pond Environmental	6,077.59			6,077.59	-
N.J. Historic Trust	526,950.00				526,950.00
N.J. Historic Trust-Local Contribution		84,882.51	84,882.51		
	<u>\$ 759,681.68</u>	<u>84,882.51</u>	<u>134,882.51</u>	<u>6,077.59</u>	<u>703,604.09</u>
Ref.	A	A-3	A-4	A-13	A

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

FEDERAL AND STATE GRANT FUND

Exhibit A-13

SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2013	Transfer from 2014 Budget Appropriations	Expended	Adjusted (Cancelled)	Balance Dec. 31, 2014
Historic Trust	\$ 66,779.83	84,882.51	320,692.34	169,030.00	(0.00)
Rain Garden	4,400.55				4,400.55
Verizon - Rain Garden	781.59				781.59
Over The Limit	1,600.00				1,600.00
Monmouth County - First Aid Building	169,030.00			(169,030.00)	-
Green Communities	10.00				10.00
Body Armor	4,856.91	1,984.15			6,841.06
Drunk Driving Enforcement	19,823.61	1,365.92	1,115.00		20,074.53
Clean Communities	29,281.50	11,340.38	5,236.71		35,385.17
Alcohol Education and Rehabilitation	3,210.07				3,210.07
Playground Safety	35.15				35.15
Wreck Pond Environmental Study	6,077.59			(6,077.59)	-
Emergency Management	975.12		628.59		346.53
Stormwater Regulations	1,160.40				1,160.40
Fire Department Grant	10,000.00		10,000.00		-
Recycling Tonnage	33,162.88	6,339.49	31,179.81		8,322.56
	<u>\$ 351,185.20</u>	<u>105,912.45</u>	<u>368,852.45</u>	<u>(6,077.59)</u>	<u>82,167.61</u>
Ref.	A	A-3	A-4	A-12	A

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

FEDERAL AND STATE GRANT FUND

Exhibit A-14

SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2013	Budget	Receipts	Balance Dec. 31, 2014
Body Armor	\$ 1,984.15	1,984.15	1,596.57	1,596.57
Recycling Tonnage	6,339.49	6,339.49	22,653.95	22,653.95
Drunk Driving Enforcement	1,365.92	1,365.92	-	-
Clean Communities	11,340.38		2,285.92	13,626.30
	\$ 21,029.94	9,689.56	26,536.44	37,876.82
Ref.	A	A-12	A-4	A



BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

Exhibit B-1

TRUST FUND

SCHEDULE OF CASH - COLLECTOR - TREASURER

	Ref.	Dog License	Other
Balance December 31, 2013	B	\$3,926.58	2,121,181.34
Increased by Receipts:			
Dog Receipts	B-2	11,525.27	
State Registration Fees	B-3	288.00	
Unemployment Insurance	B-4		
Marriage License Fees	B-5		22,075.22
Recreation Fees	B-6		1,750.20
Engineering Fees	B-7		136,068.74
Mt. Laurel Trust	B-8		64,298.51
Law Enforcement	B-10		170,301.71
Planning Board I	B-11		1,031.52
Planning Board II	B-12		58.55
Junior Lifeguards	B-13		0.12
		11,813.27	11,043.43
		<u>15,739.85</u>	<u>406,628.00</u>
			2,527,809.34
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15-11	B-2	12,773.97	
State Registration Fees	B-3	284.40	
Interfund - Current	B		
Unemployment Insurance	B-4		
Marriage License Fees	B-5		1,475.00
Recreation Commission	B-6		173,414.90
Engineering Fees	B-7		51,077.50
Mount Laurel	B-8		1,063,199.16
Planning Board I	B-11		27,684.31
Junior Lifeguards	B-13		7,677.31
		13,058.37	1,324,528.18
Balance December 31, 2014	B	<u>\$2,681.48</u>	<u>1,203,281.16</u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTHSCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Exhibit B-2

Balance December 31, 2013	<u>Ref.</u> B		\$ 3,925.38
Increased by Receipts:			
Dog License Fees Collected & Miscellaneous		1,525.27	
Budget Appropriations		<u>10,000.00</u>	
	B-1		<u>11,525.27</u>
			15,450.65
Decreased by:			
Expenditures Under R.S.4:19-15.1	B-1		<u>12,773.97</u>
Balance December 31, 2014	B		<u><u>\$ 2,676.68</u></u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURESDUE TO/(FROM) STATE OF NEW JERSEY

Exhibit B-3

Balance December 31, 2013 - Due to	<u>Ref.</u> B		\$ 1.20
Increased by:			
Dog License Fees Collected	B-1		<u>288.00</u>
			289.20
Decreased by:			
State Registration Fees Paid	B-1		<u>284.40</u>
Balance December 31, 2014 - Due to	B		<u><u>\$ 4.80</u></u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTHSCHEDULE OF RESERVE FOR UNEMPLOYMENT INSURANCE

Exhibit B-4

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 203.52
Increased by:		
Deposits	B-1	<u>22,075.22</u>
Balance December 31, 2014	B	<u><u>\$ 22,278.74</u></u>

SCHEDULE OF RESERVE FOR MARRIAGE LICENSE FEESDUE STATE OF NEW JERSEY

Exhibit B-5

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 560.00
Increased by:		
Fees Collected	B-1	<u>1,750.20</u>
		<u>2,310.20</u>
Decreased by:		
Paid to State of New Jersey	B-1	<u>1,475.00</u>
Balance December 31, 2014	B	<u><u>\$ 835.20</u></u>

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

68.

**TRUST FUND**

**Exhibit B-6**

**SCHEDULE OF RESERVE FOR RECREATION COMMISSIONERS**

Balance December 31, 2013	<u>Ref.</u> B	\$ 42,741.64
Increased by:		
Receipts	B-1	<u>136,068.74</u>
		178,810.38
Decreased by:		
Disbursements	B-1	<u>173,414.90</u>
Balance December 31, 2014	B	<u><u>\$ 5,395.48</u></u>

**SCHEDULE OF DEPOSITS FOR ENGINEERING FEES**

**ESSEX AND SUSSEX DEVELOPMENT**

**Exhibit B-7**

Balance December 31, 2013	<u>Ref.</u> B	\$ 152,927.29
Increased by:		
Receipts	B-1	<u>64,298.51</u>
		217,225.80
Decreased by:		
Disbursements	B-1	<u>51,077.50</u>
Balance December 31, 2014	B	<u><u>\$ 166,148.30</u></u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

Exhibit B-8

TRUST FUNDSCHEDULE OF RESERVES FOR MT. LAUREL TRUST

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 1,717,880.09
Increased by:		
Receipts	B-1	<u>170,301.71</u>
		1,888,181.80
Decreased by:		
Disbursed	B-1	<u>1,063,199.16</u>
Balance December 31, 2014	B	<u><u>\$ 824,982.64</u></u>

SCHEDULE OF DUE FROM CURRENT FUND

Exhibit B-9

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 67,133.46
Increased by:		
Receipts Deposited In Current Fund		<u>26,626.77</u>
		93,760.23
Decreased by:		
Disbursements Made in Current		<u>17,427.31</u>
Balance December 31, 2014	B	<u><u>\$ 76,332.92</u></u>
<u>Analysis of Balance</u>		
P.O.A.A.		\$ 1,273.47
Recycling		<u>75,059.45</u>
		<u><u>\$ 76,332.92</u></u>

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

Exhibit B-10

70.

**TRUST FUND**

**SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST**

	<b><u>Ref.</u></b>	
Balance December 31, 2013	B	\$ 17,213.99
Increased by:		
Receipts	B-1	<u>1,031.52</u>
Balance December 31, 2014	B	<u><u>\$ 18,245.51</u></u>

**SCHEDULE OF RESERVE FOR PLANNING BOARD**

Exhibit B-11

	<b><u>Ref.</u></b>	
Balance December 31, 2013	B	\$ 141,661.44
Increased by:		
Receipts	B-1	<u>58.55</u>
		141,719.99
Decreased by:		
Disbursements	B-1	<u>27,684.31</u>
Balance December 31, 2014	B	<u><u>\$ 114,035.68</u></u>

**SCHEDULE OF RESERVE FOR PLANNING BOARD II**

Exhibit B-12

	<b><u>Ref.</u></b>	
Balance December 31, 2013	B	\$ 790.09
Increased by:		
Receipts	B-1	<u>0.12</u>
Balance December 31, 2014	B	<u><u>\$ 790.21</u></u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

71.

TRUST FUND

Exhibit B-13

SCHEDULE OF RESERVES FOR JUNIOR LIFEGUARDS

Balance December 31, 2013	<u>Ref.</u> B	\$ 41,712.48
Increased by:		
Receipts	B-1	<u>11,043.43</u>
		52,755.91
Decreased by:		
Disbursed	B-1	<u>7,677.31</u>
Balance December 31, 2014	B	<u>\$ 45,078.60</u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

72.

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH - CHECKING

Balance December 31, 2013	<u>Ref.</u> C		\$ 154,467.29
Increased by:			
Interest-Due Current	C-3	73.70	
Sale of Property	C-3	896,163.00	
Reserve for Newark Ave.	C-3	766,835.58	
Reserve for Pool Improvements	C-3	66,111.16	
Capital Improvement Fund	C-5	<u>50,000.00</u>	
			<u>1,779,183.44</u>
			1,933,650.73
Decreased by:			
Improvement Authorizations	C-6	334,094.10	
Reserve For Building Improvements	C-3	76,612.37	
Reserve For Newark Ave.	C-3	64,211.39	
Reserve For Pool Improvements	C-3	125,475.02	
Interfund Current	C-3	292.16	
Bond Anticipation Notes	C-7	10,000.00	
Grant Fund	C-3	<u>196,093.12</u>	
			<u>806,778.16</u>
Balance December 31, 2014	C		<u><u>\$ 1,126,872.57</u></u>



BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTHGENERAL CAPITAL FUNDSCHEDULE OF CAPITAL CASH

	Balance Dec. 31, 2013	Receipts	Disbursements	Transfers		Balance Dec. 31, 2014
				From	To	
Fund Balance	\$ 69,369.98					69,369.98
Capital Improvement Fund	117,500.00	50,000.00		30,000.00		137,500.00
Reserve for Newark Avenue	211,351.73	766,835.58	64,211.39			913,975.92
Reserve for Pool Improvements	127,432.92	66,111.16	125,475.02			68,069.06
Reserve for Building Improvement	100,000.00		76,612.37			23,387.63
Reserve for Sale of Property		896,163.00				896,163.00
Interfund Grants	(387,466.54)		196,093.12			(583,559.66)
<u>Improvement Authorizations</u>						
08-03 Various General Improvements	1,125.00					1,125.00
19-04 Road Improvements					175.00	175.00
26-05 Various General Improvements	(19,664.12)		10,000.00			(29,664.12)
45-05 Roads	10,504.30					10,504.30
10-06 Various General Improvements	0.05					0.05
11-06 Various General Improvements	1,377.84					1,377.84
17-07 Roads	(73,000.00)					(73,000.00)
17-07 Archway	(38,000.00)					(38,000.00)
08-08 Various General Improvements	9,266.16					9,266.16
02-09 Arches, Retaining Wall	637.50					637.50
02-11 Various General Improvements	27,323.82					27,323.82
13-13 Wreck Pond Gate	(165,396.25)		334,094.10		161,711.44	(337,778.91)
15-14 Wreck Pond Improvements					30,000.00	30,000.00
Accounts Payable	161,886.44			161,886.44		-
Interfund Current Fund	218.46	73.70	292.16			-
	\$ 154,467.29	1,779,183.44	806,778.16	191,886.44	191,886.44	1,126,872.57
Ref.	C	C-2	C-2			C

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Exhibit C-4

Ordinance Number	Description	Balance Dec. 31, 2013 \$	2014 Authorizations	Funded By Budget	Balance Dec. 31, 2014	Notes Issued	Expended	Unexpended Improvement Authorization
08-2003	Various General Improvements	21,375.00			21,375.00			21,375.00
26-2005	Various General Improvements	321,750.00		100,000.00	221,750.00	115,000.00	29,664.12	77,085.88
10-2006	Various General Improvements	652,250.00		100,000.00	552,250.00	552,250.00		
11-2006	Various General Improvements	135,000.00		50,000.00	85,000.00	85,000.00		
17-2007	Roads	182,000.00		15,000.00	167,000.00	167,000.00		
17-2007	Archway	295,000.00		10,000.00	285,000.00	174,000.00	111,000.00	
09-2008	Various General Improvements	238,500.00		25,000.00	213,500.00	211,000.00		2,500.00
13-2013	Wreck Pond Gate	475,000.00			475,000.00		337,778.91	137,221.09
15-2014	Wreck Pond Improvements		520,000.00		520,000.00			520,000.00
		<u>\$ 2,320,875.00</u>	<u>520,000.00</u>	<u>300,000.00</u>	<u>2,540,875.00</u>	<u>1,304,250.00</u>	<u>478,443.03</u>	<u>758,181.97</u>
Ref.	C		C-6	C-3.8	C	C-8	C-6	C-6

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

75.

**GENERAL CAPITAL FUND**

Exhibit C-5

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 117,500.00
Increased by:		
Budget Appropriations	C-2	<u>50,000.00</u>
		167,500.00
Decreased By:		
Appropriated to Finance Improvement Authorizations	C-6	<u>30,000.00</u>
Balance December 31, 2014	C	<u><u>\$ 137,500.00</u></u>

Exhibit C-6

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTHGENERAL CAPITAL FUNDSCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance	Balance Dec. 31, 2013		2014 Authorizations	Encumbrances Adjusted	Expended	Balance Dec. 31, 2014	
	Funded	Unfunded				Funded	Unfunded
8-2003	\$ 507.00	21,993.00				507.00	21,993.00
19-2004							
26-2005		77,085.88		175.00		175.00	
45-2005							77,085.88
10-06	10,504.30					10,504.30	
08-2008		0.05					0.05
		1,377.84					1,377.84
		268.90					268.90
		11,419.06					11,419.06
		78.20					78.20
02-2009		637.50					637.50
11-2009		4,393.47					4,393.47
		13,546.64					13,546.64
		5.85					5.85
		7,052.86					7,052.86
		2,325.00					2,325.00
13-2013		309,603.75					137,221.09
15-2014			550,000.00	161,711.44	334,094.10	30,000.00	520,000.00
	\$ 11,011.30	449,788.00	550,000.00	161,886.44	334,094.10	41,186.30	797,405.34
Ref.	C	C	C-4-9	C-3	C-2,3	C	C

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

Exhibit C-7

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Description	Date of Issue	Amount of Original Issue	Maturities		Interest Rate	Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
			Date	Amount				
General Improvements	12/1/2004	2,537,000.00	12/1/15	155,000.00	3% <sup>6</sup> -5.25%	1,391,000.00	151,000.00	1,240,000.00
			12/1/16	165,000.00				
			12/1/17	170,000.00				
			12/1/18	175,000.00				
			12/1/19	185,000.00				
			12/1/20	190,000.00				
			12/1/21	200,000.00				
Refunding Bonds	12/1/2007	1,119,199.00	12/1/15	194,615.00	3.5%-5.5%	761,450.00	185,953.00	575,497.00
			12/1/16	203,271.00				
			12/1/17	77,726.00				
			12/1/18	99,884.00				
						\$ 2,152,450.00	336,953.00	1,815,497.00
			Ref.			C	A-3	C

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

SCHEDULE OF BOND ANTICIPATION NOTES

Exhibit C-8

GENERAL CAPITAL

Ordinance Number	Date of		Interest Rate	Balance Dec. 31, 2013	Notes Paid	Balance Dec. 31, 2014
	Issue	Maturity				
26-05	4/11/14	4/11/15	1.25%	\$ 225,000.00	110,000.00	115,000.00
10-06	4/11/14	4/11/15	1.25%	652,250.00	100,000.00	552,250.00
11-06	4/11/14	4/11/15	1.25%	135,000.00	50,000.00	85,000.00
17-07	4/11/14	4/11/15	1.25%	366,000.00	25,000.00	341,000.00
09-08	4/11/14	4/11/15	1.25%	236,000.00	25,000.00	211,000.00
				<u>\$ 1,614,250.00</u>	<u>310,000.00</u>	<u>1,304,250.00</u>
			<u>Ref.</u>	C	A-3	C
	Paid by Budget					
	Notes Paid				\$ 300,000.00	
					<u>10,000.00</u>	
					<u>\$ 310,000.00</u>	

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

Ordinance Number	Description	Balance Dec. 31, 2013	2014 Authorizations	Notes Paid	Balance Dec. 31, 2014
8-2003	Various General Improvements	\$ 21,375.00			21,375.00
26-2005	Various General Improvements	96,750.00		10,000.00	106,750.00
17-2007	Various General Improvements	111,000.00			111,000.00
08-2008	Various General Improvements	2,500.00			2,500.00
13-2013	Various General Improvements	475,000.00			475,000.00
15-2014	Wreck Pond Improvements		520,000.00		520,000.00
		<u>\$ 706,625.00</u>	<u>520,000.00</u>	<u>10,000.00</u>	<u>1,236,625.00</u>
Ref.		C	C-8	C-8	C

Exhibit D-4

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH  
WATER-SEWER UTILITY OPERATING AND CAPITAL FUND

SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	D	\$ 320,836.76	21,940.10
Increased by:			
Consumer Accounts Receivable	D-6	2,181,491.44	
Water Use - Current Fund	D-2	145,000.00	
Capital Improvement Fund	D-5		10,000.00
Miscellaneous Revenue	D-2	214,504.11	
		<u>2,540,995.55</u>	<u>10,000.00</u>
		2,861,832.31	31,940.10
Decreased by:			
Appropriation Reserve	D-7	83,462.60	
Accrued Interest	D-9	1,344.94	
Budget Appropriations	D-3	<u>2,469,087.72</u>	
		<u>2,553,895.26</u>	<u>-</u>
Balance December 31, 2014	D	\$ <u>307,937.05</u>	<u>31,940.10</u>



**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

81.

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-5

**SCHEDULE OF CASH**

	Balance Dec. 31, 2013	Receipts	Balance Dec. 31, 2014
Fund Balance	\$ 14,543.21		14,543.21
Capital Improvement Fund	30,150.00	10,000.00	40,150.00
Accounts Payable	655.00		655.00
<b><u>Improvement Authorizations</u></b>			
10-06 Various Water Sewer Improvements	5,200.00		5,200.00
11-06 Various Water Sewer Improvements	5,000.00		5,000.00
18-00 Improvements to Water-Sewer System	(12,437.24)		(12,437.24)
29-02 Water Tower	13,479.09		13,479.09
22-04 Various Improvements	414.33		414.33
29-02 Accounts Payable	3,400.00		3,400.00
27-05 Various Improvements	(38,464.29)		(38,464.29)
	<u>\$ 21,940.10</u>	<u>10,000.00</u>	<u>31,940.10</u>
Ref.	D-4	D-4	D-4

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

82.

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-6**

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2013	<u>Ref.</u> D	\$ 386,535.72
Increased by:		
Water-Sewer Rents Levied		<u>2,316,997.97</u>
		2,703,533.69
Decreased by:		
Receipts	D-4	<u>2,181,491.44</u>
Balance December 31, 2014	D	<u><u>\$ 522,042.25</u></u>

**SCHEDULE OF APPROPRIATION RESERVES**

**Exhibit D-7**

Balance December 31, 2013	<u>Ref.</u> D	\$ 184,332.74
Decreased by:		
Disbursed	D-4	\$ 83,462.60
Lapsed to Surplus	D-7	<u>100,870.14</u>
		<u><u>184,332.74</u></u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

83.

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-8

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2013 and 2014	D	<u>\$ 910,408.00</u>

SCHEDULE OF ACCRUED INTEREST

Exhibit D-9

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 2,845.64
Decreased by:		
Interest Paid	D-3	<u>1,344.94</u>
Balance December 31, 2014	D	<u>\$ 1,500.70</u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

84.

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-10

SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2013 & 2014
<u>Accounts</u>	
Springs and Wells	\$ 264,294.09
Collecting Reservoirs	370,892.40
Pumping Station Structures	120,225.12
Transmissions, Mains and Accessories	2,191,936.23
Meters, Meter Boxes and Vaults	689,299.63
Fire Hydrant and Fire Cisterns	26,344.91
Electric Power Pumping Equipment	71,141.40
Crane Equipment	500.00
Second Avenue Improvements	3,995.72
General Equipment	139,270.60
Extension of Lines	7,998.10
Transducer	13,725.00
1965 Improvements to Supply System	207,232.09
Improvements to Sewerage System	1,022,791.12
Improvements to Water Treatment Plant	36,112.82
Automation of Water Plant	43,546.01
Water Plant	115,000.00
	<u>\$ 5,324,305.24</u>
Ref.	D

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

85.

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-11

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2013	<u>Ref.</u> D	\$ 30,150.00
Increased By:		
2014 Budget Appropriation	D-5	<u>10,000.00</u>
Balance December 31, 2014	D	<u><u>\$ 40,150.00</u></u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

WATER-SEWER CAPITAL FUND

Exhibit D-12

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Balance Dec. 31, 2013		Balance Dec. 31, 2014		Encumbrances Cancelled	Ref.
		Funded	Unfunded	Funded	Unfunded		
18-00	Improvements to Water-Sewer System	\$ 1,879.76	44,000.00	1,879.76	44,000.00		
29-02	Water Tower		10,079.09		10079.09		
22-04	Various Improvements to Water Sewer System		51,535.71		51535.71		
27-05	Various Water-Sewer Improvements		414.33		414.33		
10-06	Various Improvements to Water Sewer System	5,200.00		4,055.00		4,055.00	
11-06	Various Improvements to Water Sewer System	5,000.00	95,000.00	5,000.00	95,000.00		
		\$ 12,079.76	201,029.13	16,134.76	201,029.13	4,055.00	
		D	D	D	D	D-5	D

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

87.

WATER-SEWER UTILITY FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Exhibit D-13

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2013</u>	<u>Adjusted</u>	<u>Balance Dec. 31, 2014</u>
18-00	Various Water-Sewer Improvements	5/22/00	\$ 600,000.00	\$ 600,000.00		600,000.00
29-02	Water Tower	11/14/02	1,750,000.00	1,750,000.00		1,750,000.00
22-04	Various Water-Sewer Improvements	6/29/04	1,000,000.00	1,000,000.00		1,000,000.00
27-05	Various Water-Sewer Improvements	8/23/05	1,200,000.00	1,200,000.00		1,200,000.00
10-2006	Various Water-Sewer Improvements	6/13/06	80,000.00	80,000.00		80,000.00
11-2006	Various Water-Sewer Improvements	8/8/06	100,000.00	115,813.00	9,000.00	106,813.00
				<u>\$ 4,745,813.00</u>	<u>9,000.00</u>	<u>4,736,813.00</u>
			Ref.	D		D

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

88.

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-14

**SCHEDULE OF RESERVE FOR AMORTIZATION**

Balance December 31, 2013	<u>Ref.</u> D	\$ 4,632,948.24
Increased by:		
Serial Bonds Paid by Budget	D-15	<u>290,335.00</u>
Balance December 31, 2014	D	<u><u>\$ 4,923,283.24</u></u>



BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

Exhibit D-15

WATER-SEWER CAPITAL FUND

SCHEDULE OF WATER-SEWER CAPITAL FUND SERIAL BONDS

Description	Date of Issue	Original Amount Issued	Maturity		Interest Rate	Balance Dec. 31, 2013	Paid	Balance Dec. 31, 2014
			Date	Amount				
Various Improvements to Water-Sewer Utilities	12/28/95	\$ 685,000.00	7/15/2015	\$ 50,000.00	3.65%-5.50%	\$ 100,000.00	50,000.00	50,000.00
Various Improvements Water-Sewer Utilities	12/4/04	1,011,000.00	12/1/15	60,000.00	3% - 5.25%	555,000.00	60,000.00	495,000.00
			12/1/16	65,000.00				
			12/1/2017-18	70,000.00				
			12/1/2019-20	75,000.00				
Various Improvements Water Sewer	4/12/07	945,997.00	12/1/21	80,000.00	4%-5%	621,845.00	74,335.00	547,510.00
			12/1/15	78,541.00				
			12/1/16	82,740.00				
			12/1/17	12,113.00				
			12/1/18	13,116.00				
Various Improvements Water Sewer	12/1/11	\$ 3,240,000.00	12/1/19	115,000.00	2%-5%	3,010,000.00	115,000.00	2,895,000.00
			12/1/19	121,000.00				
			12/1/20	125,000.00				
			12/1/15	120,000.00				
			12/1/16	125,000.00				
			12/1/17	130,000.00				
			12/1/18	135,000.00				
			12/1/19	145,000.00				
			12/1/20	150,000.00				
			12/1/21	155,000.00				
			12/1/22	165,000.00				
			12/1/23	170,000.00				
			12/1/24	180,000.00				
			12/1/25	185,000.00				
			12/1/26	190,000.00				
			12/1/27	195,000.00				
			12/1/28	200,000.00				
12/1/29	205,000.00							
12/1/30	215,000.00							
12/1/31	230,000.00							
						\$ 4,286,845.00	299,335.00	3,987,510.00
Ref.						D	D-14	D

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

90.

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-16

**SCHEDULE OF BONDS AND NOTES**

**AUTHORIZED BUT NOT ISSUED**

<u>Number</u>	<u>Description</u>	<u>Balance</u>	
		<u>Dec. 31, 2013</u> <u>and Dec. 31, 2014</u>	
18-2000	Improvements to Water System	\$	102,317.00
22-2004	Various Water-Sewer Improvements		50,000.00
27-2005	Various Water-Sewer Improvements		90,000.00
11-2006	Security System		95,000.00
		\$	337,317.00

Ref.

D

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

Exhibit E-4

BEACH UTILITY OPERATING AND CAPITAL FUND

SCHEDULE CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	E	\$ 39,489.88	100,784.86
Increased by Receipts:			
Beach Fees	E-2	2,543,311.50	
Reserve For Bonds and Notes	E-2	2,745,528.49	3,068,940.00
Prepaid Badges	E	11,841.08	
Capital Improvement Fund	E-2		19,000.00
Bond Anticipation Notes	E-13		615,000.00
Miscellaneous Revenue Not Anticipated	E-1	14,115.37	
		<u>5,314,796.44</u>	<u>3,702,940.00</u>
		5,354,286.32	3,803,724.86
Decreased by Disbursements:			
Budget Appropriations	E-3	4,983,280.09	
Interfund Pool Capital	E-5		580,000.00
Reserve for Bonds and Notes	E		2,650,000.00
Accrued Interest	E	12,035.09	
Appropriation Reserves	E-6	15,579.53	
Improvement Authorizations	E-7		444,204.96
		<u>5,010,894.71</u>	<u>3,674,204.96</u>
Balance December 31, 2014	E	\$ <u>343,391.61</u>	<u>129,519.90</u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

BEACH UTILITY CAPITAL FUND

Exhibit E-5

SCHEDULE OF CASH

	Balance Dec. 31, 2013	Receipts	Disbursements	Transfers		Balance Dec. 31, 2014
				From	To	
Fund Balance	\$ 400.00					400.00
Capital Improvement Fund	48,750.00	19,000.00				67,750.00
Reserve to Pay Notes and Bonds	2,791,471.94	418,940.00	2,650,000.00			560,411.94
Interfund Pool Capital			580,000.00	175,000.00	1,155,000.00	400,000.00
Interfund Beach Operating	450,000.00				75,000.00	450,000.00
Other						75,000.00
<u>Improvement Authorizations</u>						
8-96 Various Improvements	(550.00)					(550.00)
20-04 Sand Replenishment	1,289.61					1,289.61
28-05 Beach Improvements	232,653.99		231,796.09			857.90
28-05 Boat Safety	1,962.00		31,242.18			(29,280.18)
28-05 Bulldozer	3,384.74					3,384.74
1-09 Equipment & Improvements	2,009.78					2,009.78
1-12 Reconstruction of Boardwalk	(141,853.77)		95,286.73		100,000.00	(137,140.50)
8-12 Pavilion	540,000.00	615,000.00		1,155,000.00		-
4-13 Hurricane Sandy	(3,828,733.43)	2,650,000.00	85,879.96			(1,264,613.39)
	\$ 100,784.86	3,702,940.00	3,674,204.96	1,330,000.00	1,330,000.00	129,519.90

Ref.

E

E

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

93.

BEACH UTILITY OPERATING FUND

Exhibit E-6

SCHEDULE OF APPROPRIATION RESERVES

Balance December 31, 2013	<u>Ref.</u> E		\$ 69,595.18
Decreased by:			
Disbursed	E-1	15,579.53	
Lapsed to Surplus	E-4	<u>54,015.65</u>	
			<u>\$ 69,595.18</u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

BEACH UTILITY CAPITAL FUND

Exhibit E-7

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Balance Dec. 31, 2013		Balance Dec. 31, 2014	
		Funded	Unfunded	Funded	Unfunded
20-04	Sand Replenishment	\$ 1,289.61		1,289.61	
28-05	Beach Improvements		232,653.99		857.90
28-05	Boat Safety		49,462.00		18,219.82
28-05	Bulldozer		3,384.74		3,384.74
1-09	Equipment & Improvements	2,009.78		2,009.78	
1-12	Reconstruction of Boardwalk		95,646.23		359.50
04-13	Hurricane Sandy		171,266.57		85,386.61
		\$ 3,299.39	552,413.53	3,299.39	108,208.57
		Ref.	E	E	E
	Cash Disbursed	E-4			
			\$ 444,204.96		

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

95.

BEACH UTILITY CAPITAL FUND

Exhibit E-8

SCHEDULE OF FIXED ASSETS AUTHORIZED AND UNCOMPLETED

Ordinance Number	Description	Ordinance		Balance
		Date	Amount	Dec. 31, 2013 and Dec. 31, 2014
20-04	Various Beach Improvements	6/29/04	\$ 500,000.00	\$ 500,000.00
28-05	Beach Improvements	8/9/05	425,000.00	425,000.00
28-05	Boat Safety	8/9/05	50,000.00	50,000.00
28-05	Bulldozer	8/9/05	100,000.00	100,000.00
1-09	Equipment & Improvements	2/23/09	85,000.00	85,000.00
1-12	Reconstruction of Boardwalk	1/24/12	250,000.00	250,000.00
8-12	Pavilion	4/5/12	1,730,000.00	1,730,000.00
4-13	Improvements-Hurricane Sandy	12/1/13	4,000,000.00	4,000,000.00
				<u>\$ 7,140,000.00</u>
Ref.				E

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

96.

BEACH UTILITY CAPITAL FUND

Exhibit E-9

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 48,750.00
Increased by:		
Budget Appropriation	E-3	<u>19,000.00</u>
Balance December 31, 2014	E	<u><u>\$ 67,750.00</u></u>

SCHEDULE OF RESERVE TO PAY BONDS AND NOTES

Exhibit E-10

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 2,791,471.94
Increased by:		
Note Sale Premium	E-4	<u>418,940.00</u>
		<u>3,210,411.94</u>
Decreased By:		
Paid Deferred Charges Unfunded	E-14	<u>2,650,000.00</u>
Balance December 31, 2014	E	<u><u>\$ 560,411.94</u></u>



BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

97.

BEACH UTILITY CAPITAL FUND

Exhibit E-11

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance December 31, 2013	<u>Ref.</u> E		\$ 3,209,754.07
Increased by:			
Serial Bonds Paid	E-12	\$ 156,712.00	
Unfunded Deferred Charge	E-4	2,650,000.00	
Notes Paid	E-13	<u>40,000.00</u>	
			<u>2,846,712.00</u>
Balance December 31, 2014	E		<u>\$ 6,056,466.07</u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTHBEACH UTILITY CAPITAL FUNDSCHEDULE OF BEACH UTILITY CAPITAL SERIAL BONDS

Description	Date of Issue	Original Amount Issued	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2013	Paid	Balance Dec. 31, 2014
			Outstanding Date	Amount				
Various General Improvements	12/21/04	\$ 910,000.00	12/1/15	\$ 105,000.00	3% to 5.25%	\$ 203,000.00	98,000.00	105,000.00
2007 Series Refunding	12/1/07	541,803.00	12/1/15	61,844.00	4%	201,704.00	58,712.00	142,992.00
			12/1/16	63,988.00				
			12/1/17	17,160.00				
					Ref.	\$ 404,704.00	156,712.00	247,992.00
					E	E	E-3, E-5	E

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

BEACH UTILITY CAPITAL FUND

Exhibit E-13

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Description</u>	<u>Issued</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Notes Issued</u>	<u>Paid By Budget</u>	<u>Balance Dec. 31, 2014</u>
Ord. 28-2005 - Various	4/13/12	4/11/15	2.00%	\$ 298,750.00		40,000.00	258,750.00
Ord. 04-2013	12/31/13	12/31/15	N/A	1,000,000.00	615,000.00		1,615,000.00
				<u>\$ 1,298,750.00</u>	<u>615,000.00</u>	<u>40,000.00</u>	<u>1,873,750.00</u>
Ref.			E	E	E-4	E-3	E

**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

**BEACH UTILITY CAPITAL FUND**

Exhibit E-14

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Description	Balance Dec. 31, 2013	Reduced	Balance Dec. 31, 2014
08-1996	Various General Improvements	\$ 550.00		550.00
28-2005	Sand Replenishment & Boardwalk Repairs	47,500.00		47,500.00
1-2012	Reconstruction of Boardwalk	137,500.00		137,500.00
8-2012	Pavilion	615,000.00	615,000.00	-
4-2013	Reconstruction of Boardwalk	4,000,000.00	2,650,000.00	1,350,000.00
		<u>\$ 4,800,550.00</u>	<u>3,265,000.00</u>	<u>1,535,550.00</u>
	Ref E Ref. E		E-13	E
	Notes Issued E-13 \$		615,000.00	
	Reserve for Bonds E-10		2,650,000.00	
		<u>\$ 3,265,000.00</u>		

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

POOL UTILITY OPERATING AND CAPITAL FUND

Exhibit F-4

SCHEDULE OF CASH - TREASURER

DECEMBER 31, 2014

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	F	\$ 298,539.10	-
Increased by Receipts:			
Pool Fees by Ordinance	F-2	\$ 898,339.78	
Beach Capital Interfund	F-5		580,000.00
Miscellaneous Revenue Not Anticipated	F-a	17,202.43	
Pool Operating	Contra		251,125.13
Miscellaneous Revenues	F-2	92,635.45	
		<u>1,008,177.66</u>	<u>831,125.13</u>
		1,306,716.76	831,125.13
Decreased by Disbursements:			
Budget Appropriations	F-3	773,949.99	
Encumbrances	F	4,149.80	
Appropriation Reserves	F	107.13	784,870.04
Pool Capital	Contra	251,125.13	
Accrued Interest	F	299.50	
Improvement Authorizations	F-6		46,255.09
		<u>1,029,631.55</u>	<u>831,125.13</u>
Balance December 31, 2014	F	<u>\$ 277,085.21</u>	<u>-</u>

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

Exhibit F-5

POOL UTILITY CAPITAL FUNDANALYSIS OF CASH

	Balance Dec. 31, 2013	Receipts	Disbursements	Transfers		Balance Dec. 31, 2014
	\$			To	From	
Capital Improvement Fund						
Fund Balance	45,000.00					45,000.00
Sale of Bonds	10,440.42					10,440.42
Beach Capital Interfund	(980,000.00)	580,000.00				(400,000.00)
Pool Operating Interfund	158,926.56	251,125.13				410,051.69
<u>Improvement Authorizations</u>						
10-2003 Accounts Payable	785,610.04		784,870.04		740.00	-
10-2003 Reconstruction of Pools & Pavilions	835.60		67.71	740.00		1,507.89
21-2004 Various Pool Improvements	2,558.26		2,558.26			-
08-2012 Various Pool Improvements	(23,370.88)		43,629.12			(67,000.00)
	\$ -	831,125.13	831,125.13	740.00	740.00	-
<u>Ref.</u>	F	F-4	F-4			F

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

POOL UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit F-6

Ordinance Number	Description	Balance Dec. 31, 2013		Adjusted	Expended	Balance Dec. 31, 2014	
		Funded	Unfunded			Funded	Unfunded
20-2003	Reconstruction of Pools & Pavilions	\$ 835.60		740.00	67.71	767.89	
21-2004	Various Pool Improvements	2,558.26			2,558.26		
08-2012	Various Pool Improvements	48,629.12			43,629.12		5,000.00
		\$ 52,022.98		740.00	46,255.09	767.89	5,000.00
		F	F	F-5	F-4	F	F

Ref.

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

104.

POOL UTILITY CAPITAL FUND

Exhibit F-7

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance</u>
		<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2013 and Dec. 31, 2014</u>
10-2003	Reconstruction of Pools and Pavilions	5/6/03	\$ 650,000.00	\$ 650,000.00
21-2004	Various Pool Improvements	12/1/04	100,000.00	100,000.00
08-2012	Various Pool Improvements	4/5/12	5,070,000.00	5,070,000.00
				<u>\$ 5,820,000.00</u>
		Ref.		F



**BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH**

105.

**POOL UTILITY CAPITAL FUND**

**Exhibit F-8**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2013 and 2014	F	\$ 45,000.00

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

**Exhibit F-9**

Balance December 31, 2013	F	\$ 918,000.00
Increased by:		
Bonds Paid	F-10	50,000.00
Balance December 31, 2014	F	\$ 968,000.00

BOROUGH OF SPRING LAKE - COUNTY OF MONMOUTH

Exhibit F-10

POOL UTILITY CAPITAL FUND

SCHEDULE OF POOL UTILITY CAPITAL SERIAL BONDS

Description	Date of Issue	Original Amount Issued	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2013	Bonds Paid	Balance Dec. 31, 2014
			Outstanding	Dec. 31, 2014 Amount				
Reconstruction of Pools and Various Improvements	12/1/04	\$ 691,000.00	12/1/15	50,000.00	3% - 5.25%	\$ 330,000.00	49,000.00	281,000.00
			12/1/16	55,000.00				
			12/1/17	55,000.00				
			12/1/18	60,000.00				
			12/1/19	60,000.00				
Various Pool Improvements	12/1/13	4,500,000.00	12/1/15 to 17	165,000.00	3%-5.00%	4,500,000.00		4,500,000.00
			12/1/18	175,000.00				
			12/1/19	180,000.00				
			12/1/20	190,000.00				
			12/1/21	195,000.00				
			12/1/22	205,000.00				
			12/1/23	220,000.00				
			12/1/24	230,000.00				
			12/1/25	240,000.00				
			12/1/26	250,000.00				
			12/1/27	265,000.00				
			12/1/28	280,000.00				
			12/1/29	290,000.00				
			12/1/30	305,000.00				
			12/1/31	320,000.00				
			12/1/1932 to 33	330,000.00				
						\$ 4,830,000.00	49,000.00	4,781,000.00
						Ref.	F-3	F

**BOROUGH OF SPRING LAKE**

**COUNTY OF MONMOUTH**

**PART III**

**REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING**

**AND ON COMPLIANCE AND OTHER MATTERS**

**YEAR ENDED DECEMBER 31, 2014**

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

107.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888  
e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

Honorable Mayor and Members  
of Borough Council  
Borough of Spring Lake  
County of Monmouth  
Spring Lake, New Jersey 07762

We have audited the consolidated financial statements of the Borough of Spring Lake (the "Borough"), as of and for the year ended December 31, 2014, and have issued our report thereon dated June 12, 2015. Our report disclosed that, as described in Note 1 to the regulatory basic financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in accordance with audit requirements prescribed by the Division.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion of the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

### Internal Control Over Financial Reporting (Continued)

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all efficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's consolidated financial statements are free of material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division. We noted certain matters that we reported to management of the Borough in the comments and recommendations section of this report and in a separate letter dated June 12, 2015.

This report is intended solely for the information and use of the Borough's management, the Borough Council, others within the organization, the Division, and federal and state awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Robert A. Hulsart and Company*  
Independent Auditors

June 12, 2015

**BOROUGH OF SPRING LAKE**

**COUNTY OF MONMOUTH**

**PART IV**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2014**

## GENERAL COMMENTS

### Scope of Audit

The audit covered the financial activities of the Treasurer, Chief Financial Officer, Tax and Utility Collector, the activities of the Mayor and Council, and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payments had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control approved of such claims by the governing body.

Cash on hand was counted and cash balances 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 Schedule of Revenue Accounts Receivable are presented as recorded in the Borough records.

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only 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 amount set forth in, or the amount calculated by the governor pursuant to Section 3 of P.L. 1971, c.198 (c.40A:11-2), except by contract or agreement". The amount set forth pursuant to the above statute was \$12,800 effective July 1, 1999. Effective July 1, 2010, the public contracts law was amended to change the bid threshold to \$26,000.00 and \$36,000.00 if there is a certified purchasing agent. Effective January 1, 2011, if there is no Qualified Purchasing Agent the bid threshold was adjusted to \$17,500.00 and \$2,625.00 for quotes.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the above statutory limitation within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Borough Counsel's opinion should be sought before a commitment is made.

Where expenditures of \$2,625.00 or more are made on applicable items, the governing body has the responsibility of securing quotations as defined under the statute, or higher if the municipality has a qualified purchasing agent (\$5,400.00 with a qualified purchasing agent). A test of quotes for purchases was made with no exceptions.

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

Road Improvements  
Sale of Property  
Boardwalk Concessions  
Wreck Pond Infrastructure

**Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 – (Continued)**

There were miscellaneous purchases through state contracts.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contract or agreements for "Professional Services" per N.J.S. 40A:11-4.

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

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

The governing body on January 7, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"NOW THEREFORE BE IT RESOLVED, that a grace period not exceeding ten (10) days be permitted after each quarterly due date, February 1, May 1, August 1, November 1, and the rate of eight percent (8%) per annum be charged on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on the amount in excess of \$1,500.00 with delinquent interest rate retroactive to the aforesaid due dates for the year 2014".

Sewer utility delinquencies are charged interest at the rate of 8% per annum on the first \$1,500.00 of sewer utility charges delinquent after due date and 18% per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

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

**Delinquent Taxes and Tax Title Liens**

No tax sale was held in 2014.

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

<u>Year</u>	<u>Number of Liens</u>
2014	-0-
2013	-0-
2012	-0-

**Payroll**

A separate bank account is maintained and gross salaries and Borough contributions for withholdings are deposited to such account. The payroll records are reconciled monthly and payment of amounts for net salaries and to agencies are properly accounted for.



### **Verification of Delinquent Taxes and Other Charges**

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

<b><u>Type</u></b>	<b><u>Number Mailed</u></b>
Delinquent Taxes	10
Unpaid Water-Sewer Utility Charges	10
Information - Taxes	25
Information - Utility	25

### **Bond and Interest Account**

The Monmouth County Improvement Pooled Government Loan Program has been named transfer agent and registrar to administer the payments to the registered owners for the 1999, 2002 2004 and 2007 bonds and coupons issued for the General Capital, Pool Capital Utility and Beach Capital Utility accounts. All transactions are kept by the Transfer Agents and the Borough receives monthly statements.

### **Investments**

A comprehensive plan of investing any excess cash on a monthly basis is in force. This program of investing funds not being used should be continued with a constant review of the best source for investments.

### **Compensated Absences**

The Borough has contracts with the various departments regarding compensated absences, that states all employee's with twenty-five years of continuous service shall receive 50% of unused sick days up to \$100 per day not to exceed \$7,500. As of December 31, 2014 there is accumulated sick time of \$369,401.82 of which \$-0- is funded.

### **Taxes and Tax Title Liens**

Taxes were analyzed and the cash was in proof with the computer run. The tax records were in good order.

There were no liens in 2014.

### **Certification of Funds Available**

The Chief Financial Officer certified that funds are available for award of contracts by issuing a purchase order. Other expenditures over \$1,000.00 are authorized by the Mayor and Council at public meetings after informal review by the Chief Financial Officer as to the availability of funds.

### **Follow-Up on Findings and Recommendations**

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

There were no prior year findings.

### **Findings and Recommendations**

#### **Payroll**

Finding: The reconciliation of the year end payroll account was not completed at the time of our field work.

Recommendation: That the reconciliation be completed and forwarded to our office for our review.

#### **Beach**

Finding: The records showed more beach badges sold then purchased. This was confirmed when we inventoried the badges.

Recommendation: That a review be made to determine the cause of the difference.

#### **Dog Trust**

Finding: It was noted during the review that three monthly reports to the state had minor errors.

Recommendation: That care be given while preparing the monthly dog license reports during the year.

### **Appreciation**

We desire to express our appreciation for the assistance and courtesies rendered by the officials and employees during the course of the audit.

\* \* \* \* \*

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 any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendation, please do not hesitate to call us.