

BOROUGH OF UNION BEACH

COUNTY OF MONMOUTH

DECEMBER 31, 2014

ROBERT A. HULSART AND COMPANY
Certified Public Accountants

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BOROUGH OF UNION BEACH

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

1.

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.
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Union Beach
County of Monmouth
Union Beach, New Jersey 07735

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 Union Beach (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 36% and 33% 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, 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 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 22, 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 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.

Robert A. Hulsart and Company

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

June 22, 2015

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

4.

CURRENT FUND**Exhibit A
Sheet 1 of 2****BALANCE SHEET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2013</u>
<u>Assets</u>			
Cash:			
Treasurer	A-4	\$ 3,788,934.03	3,431,931.71
Tax Collector	A-5	123,481.81	300,537.37
Borough Clerk	A-6	1,105.32	0.32
Change Fund		50.00	50.00
Bond Anticipation Notes-Capital	A-4	930,450.00	
		<u>4,844,021.16</u>	<u>3,732,519.40</u>
Due From State of New Jersey Veterans and Senior Citizens	A-8	<u>37,320.03</u>	<u>37,270.03</u>
Receivables With Full Reserves:			
Delinquent Taxes	A-7	315,016.26	303,386.64
Prepaid School Taxes	A-4	63,711.51	63,712.19
Property Acquired for Taxes	A-12	2,191,000.00	2,191,000.00
Demolition Lien	A-9	14,508.12	14,508.12
Tax Title Liens	A-7	66.27	
Community Disaster Loans	A-2		622,000.00
Interfunds:			
Dog Trust	A-21	10,349.53	6,833.53
		<u>2,594,651.69</u>	<u>3,201,440.48</u>
Deferred Charges:			
Emergency N.J.S. 40A:4-55	A-3	252,000.00	
Special Emergency N.J.S.;40A:4-53	A-3	2,542,500.00	4,974,494.00
		<u>10,270,492.88</u>	<u>11,945,723.91</u>
<u>State and Federal Grants</u>			
Interfund Current	Contra	90,434.38	312,633.76
Grants Receivable	A-18	1,448,179.41	1,035,723.39
		<u>1,538,613.79</u>	<u>1,348,357.15</u>
Total Assets		<u>\$ 11,809,106.67</u>	<u>13,294,081.06</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**CURRENT FUND****Exhibit-A
Page 2 of 2****BALANCE SHEET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2014**

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3	312,448.80	119,164.64
Encumbrances	A-3	75,345.73	93,500.00
Reserve For Insurance Claims	A-4	319,345.30	112,079.30
Reserve For FEMA Funds	A-4	1,243,327.61	308,369.57
Reserve For Revaluation	A-3	148,000.00	246,000.00
Reserve For Hurricane Sandy Expenditures		386.26	386.26
Due to General Capital Fund	A-4,C	260,180.23	455,293.51
Added Taxes Due County	A-14	21,580.63	5,610.84
Interfund-SUI	B	10,016.77	14,326.43
Due to Sewer Utility fund	D	1,268,033.91	876,335.84
Tax Overpayments	A-10	7,510.34	43,592.67
Other Reserves-Public Works Equipment		170,291.94	
Due to State of N.J. - Code Training Fees	A-4	7,114.00	15,066.02
Prepaid Taxes	A-5,7	75,432.47	68,797.20
Due to Trust - Other	B	18,975.54	18,390.64
Emergency Note Payable	A-4	2,542,500.00	4,974,494.00
Reserve For Tax Appeals	A-17	367,814.05	396,823.06
Due to Grant Fund	Contra	90,434.38	312,633.76
Accounts Payable		50,800.43	109,978.87
Total Liabilities		6,989,538.39	8,170,842.61
Reserve for Receivables		2,594,651.69	3,201,440.48
Fund Balance	A-1	686,302.80	573,440.82
		10,270,492.88	11,945,723.91
<u>Federal and State Grant Fund</u>			
Interfund General Capital	C	60,289.14	60,289.14
Appropriation Reserves	A-19	1,455,767.03	1,243,801.69
Unappropriated Reserves	A-20	22,557.62	44,266.32
		1,538,613.79	1,348,357.15
Total Liabilities, Reserves and Fund Balance		\$ 11,809,106.67	13,294,081.06

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

CURRENT FUNDSTATEMENT OF OPERATIONS AND CHANGEIN FUND BALANCE - REGULATORY BASISFOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2013</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	A-2	\$ 500,000.00	470,000.00
Miscellaneous Revenue Anticipated	A-2	5,357,521.86	5,423,539.32
Receipts from Delinquent Taxes	A-2	307,506.39	295,209.69
Receipts from Current Taxes	A-2	13,206,712.02	13,259,433.74
Non-Budget Revenue	A-2	179,580.30	209,994.81
Other Credits to Income:			
Appropriation Reserves Lapsed	A-16	23,849.67	261,099.29
Budget Appropriations Cancelled	A-3	51,048.21	41,178.00
		<u>19,626,218.45</u>	<u>19,960,454.85</u>
<u>Expenditures</u>			
Budget Appropriations:			
Inside CAP:			
Salaries and Wages	A-3	3,483,250.00	3,422,910.00
Other Expenses	A-3	3,234,410.00	6,394,800.00
Deferred Charges and Statutory Expenditures	A-3	688,546.00	646,929.00
Outside CAP:			
Other Expenses	A-3	939,090.44	1,710,011.82
Capital Improvements	A-3	197,000.00	93,700.00
Debt Service	A-3	938,200.00	864,000.00
Deferred Charges	A-3	2,366,500.00	1,825,506.00
County Taxes	A-14	1,737,033.71	1,632,424.89
Local District School Taxes	A-13	5,677,811.00	5,985,425.00
Interfunds Advanced	A	3,515.32	68,879.54
Tax Appeals	A-4		300,000.00
		<u>19,265,356.47</u>	<u>22,944,586.25</u>
Adjustment of Expenditures Which are Charges to Subsequent Year	A-3	<u>252,000.00</u>	<u>3,500,000.00</u>
Adjusted Expenditures		<u>19,013,356.47</u>	<u>19,444,586.25</u>
Excess in Revenue		612,861.98	515,868.60
Fund Balance January 1	A	<u>573,440.82</u>	<u>527,572.22</u>
		1,186,302.80	1,043,440.82
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>500,000.00</u>	<u>470,000.00</u>
Fund Balance December 31	A	<u>\$ 686,302.80</u>	<u>573,440.82</u>

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

CURRENT FUNDSTATEMENT OF REVENUES - REGULATORY BASISFOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
	A-1	\$ 500,000.00	500,000.00	-
Fund Balance Anticipated				
Miscellaneous Revenue				
Licenses:				
Alcoholic Beverages	A-15	4,350.00	5,050.00	700.00
Fees and Permits	A-15	31,000.00	56,324.93	25,324.93
Municipal Court	A-15	99,500.00	92,479.56	(7,020.44)
Interest and Costs on Taxes	A-15	45,000.00	46,795.86	1,795.86
Parking Meters	A-15	12,000.00	17,910.10	5,910.10
Consolidated Municipal Property Tax Relief Aid	A-15	18,570.00	18,570.00	-
Energy Receipts Tax (P.L. 1997 Chapter 162 & 167)	A-15	647,876.00	647,876.00	-
Uniform Construction Code Fees	A-15	350,000.00	446,959.05	96,959.05
Princeton Foundation Grant	A-15	125,400.00	125,400.00	-
Homeowners Assistance Grant	A-18	7,132.89	7,132.89	-
Monmouth County workforce Development	A-18	285,660.12	285,660.12	-
Homeowners Grant	A-18	5,982.96	5,982.96	-
Post Sandy Assistance Grant	A-18	280,000.00	280,000.00	-
Drive Sober or Get Pulled Over	A-18	5,000.00	5,000.00	-
DDEF	A-18	2,694.88	2,694.88	-
DCA Zoning Grant	A-18	59,849.12	59,849.12	-
Town of Madison	A-18	17,855.00	17,855.00	-
Construction Grant	A-18	1,000.00	1,000.00	-
Cops in Shops	A-18	1,200.00	1,200.00	-
Driving While Intoxicated	A-18	3,480.00	3,480.00	-
Body Armor	A-18	2,098.31	2,098.31	-
FEMA Reimbursement	A-15	2,144,000.00	2,144,000.00	-
Community Disaster Loan	A-15	899,000.00	899,000.00	-
Recycling Tonnage	A-18	9,281.70	9,281.70	-
Cell Tower Rental	A-15	85,000.00	88,731.20	3,731.20
Cablevision Franchise Fee	A-15	33,839.00	33,839.00	-
Verizon Franchise Fee	A-15	26,872.32	26,872.32	-
Recycling Costs	A-15	5,000.00	4,923.40	(76.60)
Clean Communities	A-15	21,555.46	21,555.46	-
Total Miscellaneous Revenue	A-1	5,230,197.76	5,357,521.86	127,324.10
Receipts from Delinquent Taxes	A-1	280,000.00	307,506.39	27,506.39
Amount to be Raised by Taxes for Support of the Municipal Budget	A-2	5,964,698.68	6,171,767.31	207,068.63
Total General Revenues		11,974,896.44	12,336,795.56	361,899.12
Miscellaneous Revenue Not Anticipated	A-1	-	179,580.30	179,580.30
Total Revenues		\$ 11,974,896.44	12,516,375.86	541,479.42

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Allocation of Current Collections</u>				
Revenue from Collections	A-1		\$ 13,206,712.02	
Less: Allocated to School and County Taxes	A-1		7,414,844.71	
			5,791,867.31	
Add: Reserve for Uncollected Taxes	A-3		379,900.00	
			<u>\$ 6,171,767.31</u>	
<u>Miscellaneous Revenue Not Anticipated</u>				
Board of Health	A-4	\$ 28,035.71		
Auctions	A-4	14,400.68		
State Dated Checks	A-4	20,805.20		
Premium on Note Sale	A-4	36,523.00		
Gas Reimbursement	A-4	7,379.77		
Workmen's Compensation	A-4	22,794.35		
Insurance Dividends	A-5	33,001.05		
Other	A-4	16,640.54		
Total Miscellaneous Revenue Not Anticipated	A-1		<u>\$ 179,580.30</u>	

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

CURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASISFOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Year Ending 2014 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
General Government					
Administrative and Executive:					
Salaries and Wages - Governing Body	\$ 37,000.00	37,000.00	37,000.00	-	
Salaries and Wages - Borough Clerk's Office	95,500.00	96,100.00	96,100.00	-	
Salaries and Wages - Administrator's Office	97,200.00	97,200.00	97,135.97	64.03	
Other Expenses	40,000.00	40,000.00	34,987.38	5,012.62	
Office Supplies	60,000.00	65,800.00	65,165.90	634.10	
Election:					
Salaries and Wages	2,400.00	2,400.00	2,400.00	-	
Other Expenses	3,750.00	3,750.00	2,344.84	1,405.16	
Financial Administration:					
Salaries and Wages	56,625.00	56,625.00	56,625.00	-	
Other Expenses	52,000.00	52,000.00	41,378.00	10,622.00	
Audit Contract	26,250.00	26,250.00	26,250.00	-	
Assessment of Taxes:					
Salaries and Wages	17,750.00	17,750.00	17,750.00	-	
Other Expenses	3,500.00	3,500.00	1,945.43	1,554.57	
Collection of Taxes:					
Salaries and Wages	60,250.00	60,750.00	60,747.11	2.89	
Other Expenses	10,000.00	10,000.00	8,861.17	1,138.83	
Liquidation of Tax Title Liens and Foreclosed Property:					
Other Expenses	200.00	200.00		200.00	
Legal Services and Costs:					
Salaries and Wages	45,000.00	45,000.00	45,000.00	-	
Other Expenses	95,000.00	52,900.00	48,548.18	4,351.82	
Engineering Services and Costs:					
Salaries and Wages	3,000.00	3,000.00	3,000.00	-	
Other Expenses	80,000.00	80,000.00	63,642.19	16,357.81	

CURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASISFOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Year Ending 2014 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
General Government (Continued)					
Public Building and Grounds:					
Salaries and Wages	250,500.00	248,500.00	215,617.53	32,882.47	
Other Expenses	82,000.00	84,000.00	83,434.84	565.16	
Parks and Playgrounds:					
Other Expenses	12,000.00	18,000.00	15,763.05	2,236.95	
Zoning/Planning Costs:					
Salaries and Wages	9,250.00	9,250.00	9,112.54	137.46	
Other Expenses	10,500.00	12,200.00	11,563.79	636.21	
Heritage Committee:					
Other Expenses	125.00	125.00		125.00	
Borough Prosecutor:					
Salaries and Wages	28,500.00	28,500.00	25,312.53	3,187.47	
Other Expenses	150.00	150.00		150.00	
Public Safety					
Fire:					
Aid to Volunteer Companies	120,000.00	120,000.00	120,000.00	-	
Hydrant Service	120,000.00	120,000.00	109,892.82	10,107.18	
Alarms	9,000.00	9,000.00	4,680.57	4,319.43	
Other Equipment	3,500.00	3,500.00	2,437.00	1,063.00	
Police:					
Salaries and Wages	1,830,000.00	2,022,000.00	2,021,883.18	116.82	
Other Expenses	77,500.00	77,500.00	77,147.78	352.22	
Parking Meters	5,000.00	5,000.00	3,013.77	1,986.23	
Bayshore Task Force:					
Other Expenses	2,300.00	2,300.00		2,300.00	
Bayshore Strike Force:					
Other Expenses	4,300.00	4,300.00		4,300.00	
Hurricane Sandy					
Other Expenses	126,400.00	253,150.00	253,136.20	13.80	

CURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASISFOR THE YEAR ENDED DECEMBER 31, 2014

	Year Ending 2014 Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Public Safety (Continued)					
Emergency Management Service:					
Other Expenses	8,000.00	8,000.00	7,022.06	977.94	
Life Hazard Use Fees:					
Other Expenses	150.00	150.00		150.00	
First Aid Organization:					
Contribution	40,000.00	40,000.00	40,000.00	-	
Clothing Allowance	2,000.00	2,000.00	2,000.00	-	
Public Works					
Road Repairs and Maintenance:					
Salaries and Wages	319,000.00	319,000.00	309,000.00	10,000.00	
Other Expenses	55,000.00	115,000.00	114,986.58	13.42	
Snow Removal	30,000.00	30,000.00	13,189.01	16,810.99	
Garbage and Trash Removal - Contractual	200,000.00	200,500.00	200,463.90	36.10	
Landfill Closure Aid (P.L. - 1981 c.396) Monitoring Wells	500.00	500.00		500.00	
Landfill Charge - Taxes	290,000.00	216,300.00	207,265.47	9,034.53	
Recycling Costs:					
Salaries and Wages	76,000.00	76,000.00	68,920.80	7,079.20	
Other Expenses	80,000.00	83,500.00	83,351.52	148.48	
Health and Welfare					
Board of Health:					
Salaries and Wages	44,750.00	45,050.00	45,019.80	30.20	
Other Expenses	5,500.00	5,500.00	3,055.15	2,444.85	
Rodent Extermination and Control:					
Other Expenses	500.00	500.00	350.00	150.00	
Recreation and Education:					
Senior Citizens	750.00	750.00	750.00	-	
Other Expenses	18,000.00	18,000.00		18,000.00	
Bayshore Youth Service Bureau:					
Other Expenses	10,000.00	10,000.00	9,518.68	481.32	
Community Celebrations					
Other Expenses	5,000.00	5,000.00	5,000.00		
Drug Alliance Program:					
Other Expenses	5,000.00	5,000.00	5,000.00	-	

CURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASISFOR THE YEAR ENDED DECEMBER 31, 2014

	Year Ending 2014 Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Health and Welfare (Continued)					
Bayshore Senior Center:					
Other Expenses	675.00	675.00		675.00	
Municipal Court:					
Salaries and Wages	71,050.00	71,350.00	71,302.43	47.57	
Other Expenses	10,000.00	10,000.00	9,941.70	58.30	
Public Defender (P.L. 1997, c. 256):					
Salaries and Wages	4,050.00	4,050.00	4,049.99	0.01	
Other Expenses	100.00	100.00		100.00	
Insurance					
Liability Insurance	150,000.00	150,000.00	150,000.00		
Worker's Compensation	220,000.00	220,000.00	220,000.00	-	
Employee Group Insurance	669,760.00	660,860.00	646,487.29	14,372.71	
Insurance Waiver	10,000.00	10,000.00	10,000.00	-	
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Uniform Construction Code:					
Salaries and Wages	197,625.00	197,625.00	192,024.44	5,600.56	
Other Expenses	10,000.00	10,000.00	9,176.44	823.56	
Code Enforcement:					
Salaries and Wages	45,500.00	46,100.00	46,063.02	36.98	
Other Expenses	2,500.00	2,500.00	496.84	2,003.16	
Unclassified:					
Electricity	132,000.00	105,900.00	103,388.81	2,511.19	
Gasoline	75,000.00	67,250.00	64,261.58	2,988.42	
Heating Gas	28,000.00	28,800.00	26,170.33	2,629.67	
Telephone	40,000.00	51,200.00	47,111.50	4,088.50	
Irrigation	14,000.00	16,300.00	11,943.11	4,356.89	
Accumulated Sick Leave & Vacation	115,000.00	115,000.00	115,000.00	-	
Total Operations Within "CAPS"	6,461,860.00	6,716,160.00	6,504,187.22	211,972.78	-
Contingent	1,500.00	1,500.00		1,500.00	
Total Operations Within "CAPS" Including Contingent	6,463,360.00	6,717,660.00	6,504,187.22	213,472.78	-

CURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASISFOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Year Ending 2014 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Deferred Charges and Statutory Expenditures</u>					
<u>Municipal Within "CAPS"</u>					
Deferred Charges: Dog License Trust Fund	6,835.00	6,835.00	6,835.00	-	
Statutory Expenditures:					
Public Employees Retirement System	123,427.00	123,427.00	123,427.00		
Social Security System (O.A.S.I.)	285,000.00	282,700.00	279,950.25		
Police & Firemen's Retirement System	245,584.00	245,584.00	245,584.00	2,749.75	
Unemployment Compensation Insurance	30,000.00	30,000.00	30,000.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	690,846.00	688,546.00	685,796.25	2,749.75	-
Total General Appropriations for Municipal Purposes Within "CAPS"	7,154,206.00	7,406,206.00	7,189,983.47	216,222.53	-
<u>Operations - Excluded From "CAPS"</u>					
Aid to Free Public Library	35,000.00	35,000.00	35,000.00	-	
Police - 911 System	12,650.00	12,650.00	12,640.15	9.85	
Employee Group Insurance	11,240.00	11,240.00	11,240.00		
Police -Reverse 911 System	6,010.00	6,010.00	6,010.00	-	
Length of Service Awards Program	41,000.00	41,000.00	41,000.00	-	-
Total Other Operations Excluded from "CAPS"	105,900.00	105,900.00	105,890.15	9.85	-
<u>Shared Services Agreements</u>					
Registrant Services-Keyport Borough	5,000.00	5,000.00	5,000.00		

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Year Ending 2014 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>					
Clean Communities Program	21,555.46	21,555.46	21,555.46	-	
Post Sandy Planning Assistance Grant	280,000.00	280,000.00	280,000.00		
Drive Sober or Get Pulled Over	5,000.00	5,000.00	5,000.00		
Body Armor	2,098.31	2,098.31	2,098.31		
DDEF	2,694.88	2,694.88	2,694.88	-	
Homeowners Assistant Grant	7,132.89	7,132.89	7,132.89		
Princeton Foundation	125,400.00	125,400.00	125,400.00		
Home Owners' Grant	5,982.96	5,982.96	5,982.96		
DCA Zoning Grant	59,849.12	59,849.12	59,849.12		
Cops in Shops	1,200.00	1,200.00	1,200.00		
Monmouth County Workforce Development	285,660.12	285,660.12	285,660.12		
Driving While Intoxicated	3,480.00	3,480.00	3,480.00		
Construction Grant	1,000.00	1,000.00	1,000.00	-	
Township of Madison	17,855.00	17,855.00	17,855.00		
Recycling Tonnage	9,281.70	9,281.70	9,281.70		
Total Public and Private Programs Offset by Revenues	828,190.44	828,190.44	828,190.44		
Total Operations Excluded from "CAPS"	939,090.44	939,090.44	939,080.59	9.85	-
<u>Capital Improvements - Excluded From "CAPS"</u>					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	
Emergency Management Equipment	4,000.00	4,000.00	3,868.35	131.65	
Dispatching Station Upgrades	130,000.00	130,000.00	33,952.80	96,047.20	
Fire Chiefs Vehicle	13,000.00	13,000.00	12,962.43	37.57	-
Total Capital Improvement - Excluded From "CAPS"	197,000.00	197,000.00	100,783.58	96,216.42	-
<u>Municipal Debt Service Excluded From "CAPS"</u>					
Payment of Bond Principals	415,000.00	415,000.00	415,000.00		
Payment of Bond Anticipation Notes and Capital Notes	107,000.00	107,000.00	97,515.00		9,485.00
Interest on Bonds	119,000.00	119,000.00	91,075.00		27,925.00
Interest on Notes	166,200.00	166,200.00	152,989.40		13,210.60
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	87,000.00	87,000.00	86,600.21		399.79
N.J. Infrastructure Loan	44,000.00	44,000.00	43,972.18		27.82
Total Municipal Debt Service Excluded From "CAPS"	938,200.00	938,200.00	887,151.79	-	51,048.21

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 7 of 7

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2014

<u>Deferred Charges</u>	<u>Year Ending 2014 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Special Emergency Authorizations-5 Years (N.J.S. 40A:4-55)	2,366,500.00	2,366,500.00	2,366,500.00		
Total General Appropriations Excluded from "CAPS"	4,440,790.44	4,440,790.44	4,293,515.96	96,226.27	51,048.21
Subtotal General Appropriation Reserve for Uncollected Taxes	11,594,996.44 379,900.00	11,846,996.44 379,900.00	11,483,499.43 379,900.00	312,448.80	51,048.21
Total General Appropriations	<u>\$ 11,974,896.44</u>	<u>12,226,896.44</u>	<u>11,863,399.43</u>	<u>312,448.80</u>	<u>51,048.21</u>
<u>Ref.</u>		A-1		A	A-1
Budget Emergency		\$ 11,974,896.44 252,000.00 <u>\$ 12,226,896.44</u>			
<u>Paid or Charged</u>					
Disbursed	A-4		\$ 7,903,492.06		
Encumbrances	A		75,345.73		
Emergencies	A		2,366,500.00		
Hurricane Sandy	A		253,136.20		
Deferred Charges:					
Deficit in Animal Control	B		6,835.00		
Capital Improvement Fund	C		50,000.00		
Federal and State Grant Fund	A-19		828,190.44		
Reserve for Uncollected Taxes	A-2		379,900.00		
			<u>\$ 11,863,399.43</u>		

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

TRUST FUND

Exhibit B

BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Assets</u>			
<u>Dog License Fund</u>			
Cash	B-1	\$ 5,989.15	
Deferred Charges - Deficit in Operations	B-2	4,360.38	6,834.13
		<u>10,349.53</u>	<u>6,834.13</u>
<u>Payroll</u>			
Cash	B-1	<u>115,309.90</u>	<u>138,725.27</u>
<u>Unemployment Trust</u>			
Cash	B-1	3,347.43	3,347.43
Due from Current Fund	A	<u>18,975.54</u>	<u>14,326.43</u>
		<u>22,322.97</u>	<u>17,673.86</u>
<u>Trust - Other</u>			
Cash	B-1	445,348.79	455,250.61
Due from Current Fund	B-13	<u>10,016.77</u>	<u>18,390.64</u>
		<u>455,365.56</u>	<u>473,641.25</u>
<u>Length of Service Award Programs - Unaudited</u>			
Investments		<u>339,638.29</u>	<u>312,091.42</u>
Total Assets		<u>\$ 942,986.25</u>	<u>948,965.93</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Dog License Fund</u>			
Cash	B-1	\$ -	0.60
Due to Current Fund	B-3	<u>10,349.53</u>	<u>6,833.53</u>
		<u>10,349.53</u>	<u>6,834.13</u>
<u>Payroll</u>			
Reserve for Payroll Agency		<u>115,309.90</u>	<u>138,725.27</u>
<u>Unemployment Trust</u>			
Reserve for Unemployment	B-4	<u>22,322.97</u>	<u>17,673.86</u>
<u>Trust - Other</u>			
Interfund General Capital	B-1	100,000.00	
Reserve for Performance Escrow	B-5	74,873.40	33,969.60
Reserve for Tax Title Liens	B-6	3,472.26	887.59
Reserve for National Night Out	B-8	1,244.93	1,285.12
Reserve for Law Enforcement Trust	B-9	1,558.88	4,654.63
Reserve for Tax Premium	B-7	177,923.31	158,415.23
Reserve for Special Duty Police	B-10	16,503.44	12,054.75
Reserve for Disaster Relief Fund	B-11	51,971.16	241,608.84
Reserve for Various Reserves	B-12	<u>27,818.18</u>	<u>20,765.49</u>
		<u>455,365.56</u>	<u>473,641.25</u>
<u>Length of Service Award Programs - Unaudited</u>			
Reserve for Length of Service Award Programs		<u>339,638.29</u>	<u>312,091.42</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 942,986.25</u>	<u>948,965.93</u>

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

GENERAL CAPITAL FUND

Exhibit C

BALANCE SHEET

REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2013</u>
<u>Assets</u>			
Cash	C-2	\$ 261,836.00	51,836.00
Investment-Current Emergency Note	C-3		240,000.00
Grants Receivable	C-3	764,095.83	706,524.83
Due from Federal and State Grants Fund	C-3	60,289.14	60,289.14
Due From Current Fund	C-3	260,180.23	455,293.51
Due From Trust	C-3	100,000.00	
Deferred Charges to Future Taxation:			
Funded		3,351,358.63	3,871,721.40
Unfunded	C-4	6,119,594.00	5,286,659.00
Total Assets		<u>\$ 10,917,353.83</u>	<u>10,672,323.88</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-7	\$ 2,299,000.00	2,714,000.00
Bond Anticipation Notes	C-5	6,115,319.00	5,782,384.00
N.J. Environmental Infrastructure Loan Payable	C-10	214,178.45	250,738.35
Capital Improvement Fund	C-8	2,871.70	1,850.70
Improvement Authorizations:			
Funded	C-6	2,400.00	2,400.00
Unfunded	C-6	360,533.54	895,658.55
Green Acres Loan	C-12	838,180.18	906,983.05
Green Acres Loan Payable-Cash on Hand		500,000.00	
Reserve for Debt Service	C-3	485,573.49	19,011.76
Fund Balance	C-3	99,297.47	99,297.47
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,917,353.83</u>	<u>10,672,323.88</u>

There were Bonds and Notes on December 31, 2014 respectively authorized but not issued for \$4,275.00 and for \$4,275.00 at December 31, 2013. (Exhibit C-11).

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

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL FUND BALANCE

REGULATORY BASIS

Exhibit C-1

	<u>Ref.</u>	
Balance December 31, 2013 and 2014	C	\$ <u>99,297.47</u>

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

SEWER UTILITY FUND**BALANCE SHEET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2013</u>
<u>Assets</u>			
<u>Sewer Operating</u>			
Cash - Checking	D-4	\$ 365,546.60	208,776.50
Receivables with Full Reserves:			
Sewer Rents Receivable	D-6	230,245.42	250,186.54
Interfund Current	A	1,268,033.91	876,335.84
Total Sewer Operating		<u>1,863,825.93</u>	<u>1,335,298.88</u>
<u>Sewer Capital</u>			
Cash	D-5	66,764.46	172,028.39
Due from Sewer Operating	Contra	20,000.00	20,000.00
Fixed Capital Authorized & Uncompleted		272,028.39	272,028.39
Fixed Capital	D-8	2,126,297.11	2,126,297.11
Total Sewer Capital		<u>2,485,089.96</u>	<u>2,590,353.89</u>
Total Assets		<u>\$ 4,348,915.89</u>	<u>3,925,652.77</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Sewer Operating</u>			
Appropriation Reserves	D-3,6	\$ 61,878.32	244,874.99
Accrued Interest on Notes	A-3	3,844.79	2,386.25
Reserve for Rent Reserve		224,784.70	224,784.70
Due to Sewer Capital	Contra	20,000.00	20,000.00
Sewer Overpayment		3,849.71	4,511.70
		<u>314,357.52</u>	<u>496,557.64</u>
Reserve for Receivables		230,245.42	250,186.54
Fund Balance	D-1	1,319,222.99	588,554.70
Total Sewer Operating		<u>1,863,825.93</u>	<u>1,335,298.88</u>
<u>Sewer Capital</u>			
Capital Improvement Fund	D-9	5,000.00	5,000.00
Bond Anticipation Note Payable	D-11	363,800.00	369,100.00
Improvement Authorizations:			
Unfunded	D-12	81,764.46	187,028.39
Reserve for Amortization		288,839.72	269,016.25
U.S.D.A. Loan Payable	D-10	1,745,685.78	1,760,209.25
Total Sewer Capital		<u>2,485,089.96</u>	<u>2,590,353.89</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 4,348,915.89</u>	<u>3,925,652.77</u>

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

SEWER UTILITY FUND

Exhibit D-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2013</u>
<u>Revenue and Other Income Realized</u>			
Sewer Service Charge	D-2	\$ 1,434,416.00	1,350,792.06
Non-Budget Revenue	D-2	17,143.59	18,187.16
Other Credits to Income:			
Appropriation Reserves Cancelled	D-7	244,874.99	
Budget Appropriations Cancelled	D-3	8,183.71	406.00
		<u>1,704,618.29</u>	<u>1,369,385.22</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating	D-3	818,000.00	860,000.00
Capital improvements	D-3	20,000.00	
Debt Service	D-3	132,950.00	125,600.00
Deferred Charges and Statutory Expenditures	D-3	3,000.00	3,000.00
		<u>973,950.00</u>	<u>988,600.00</u>
Excess/(Deficit) in Revenue		730,668.29	380,785.22
Fund Balance January 1	D	<u>588,554.70</u>	<u>207,769.48</u>
Fund Balance December 31	D	<u><u>\$ 1,319,222.99</u></u>	<u><u>588,554.70</u></u>

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**SEWER UTILITY FUND****Exhibit D-2****STATEMENT OF REVENUES****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Rents	D-1	<u>\$ 973,950.00</u>	<u>1,434,416.00</u>	<u>460,466.00</u>
Total Sewer Utility Revenues		973,950.00	1,434,416.00	460,466.00
Miscellaneous Revenue Not Anticipated	D-1	<u>-</u>	<u>17,143.59</u>	<u>17,143.59</u>
Total Revenues		<u><u>\$ 973,950.00</u></u>	<u><u>1,451,559.59</u></u>	<u><u>477,609.59</u></u>
Interest on Delinquent Accts.	D-4		<u><u>\$ 17,143.59</u></u>	

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

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2014

REGULATORY BASIS

	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:					
Salaries and Wages	\$ 50,000.00	500,009.00	50,000.00		
Other Expenses	38,000.00	38,000.00	20,645.32	17,354.68	
B.S.R.S.A. - Share of Costs	730,000.00	730,000.00	708,476.36	21,523.64	
Capital Improvements					
Capital Outlay	20,000.00	20,000.00		20,000.00	
Debt Service:					
Payment on Bond Anticipation Note	12,650.00	12,650.00	5,300.00		7,350.00
Interest on Notes	6,500.00	6,500.00	6,072.29		427.71
U.S.D.A. Loan	113,800.00	113,800.00	113,394.00		406.00
Statutory Expenditures:					
Social Security System	2,000.00	2,000.00		2,000.00	
Unemployment Compensation Insurance	1,000.00	1,000.00		1,000.00	
	<u>\$ 973,950.00</u>	<u>1,423,959.00</u>	<u>903,887.97</u>	<u>61,878.32</u>	<u>8,183.71</u>
Ref.			D,D-7	D	D-1
Accrued Interest			\$ 1,458.54		
Current Fund			17,332.23		
Disbursed			885,097.20		
			<u>\$ 903,887.97</u>		

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit E

PUBLIC ASSISTANCE TRUST FUNDS**BALANCE SHEET****REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2013</u>
<u>Assets</u>			
Cash	E-1	\$ 9,786.41	10,014.55
<u>Liabilities</u>			
Reserve For:			
Public Assistance I		\$ 9,786.41	10,014.55

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**GENERAL FIXED ASSETS**

Exhibit F

BALANCE SHEET - REGULATORY BASIS

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Assets</u>		
Land	\$ 11,662,200.00	
Building and Building Improvements	345,226.58	2,160,700.00
Machinery and Equipment	<u>144,282.38</u>	<u>580,988.72</u>
Total Assets	<u><u>\$ 12,151,708.96</u></u>	<u><u>2,741,688.72</u></u>
<u>Liabilities</u>		
Reserve for Fixed Assets	<u><u>\$ 12,151,708.96</u></u>	<u><u>2,741,688.72</u></u>

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

NOTES TO FINANCIAL STATEMENTS

FOR THE 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 Union Beach, County of Monmouth, New Jersey (the “Borough”), include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Union Beach as required by N.J.S. 40A:5-5.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles. GASB Codification establishes seven major fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles (GAAP).

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

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

Dog Trust Fund – dog license revenues and expenditures.

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

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

Sewer Operating Fund – revenue and expenditures necessary to operate a municipally owned sewer supply system from user fees. The Borough only has a sewer system.

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.

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 (GAAP) applicable to local government units. The more significant policies in New Jersey follow.

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

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

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

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

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

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

Deferred Charges – the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2014 is set forth in Note 7.

Compensated Absences – expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation. (See Note 4).

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

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

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

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

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

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

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

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

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

D. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

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

F. Reporting Entity

GASB Statement 14 establishes criteria to be used to determine component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Borough to be reported separately.

NOTE 2: Cash and Cash Equivalents**A. Deposits**

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

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

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

If the public funds deposited exceed 75 percent of the 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 \$25,000,000.

The carrying amount of the Borough's deposits at year-end was \$5,984,791.32. Of this amount \$500,000.00 was covered by Federal depository insurance and the remaining \$5,484,791.32 was covered by a collateral pool maintained by the banks as required by New Jersey statute.

B. Investments

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

- 1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
 - 2) Government money market mutual funds.
 - 3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
 - 4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
 - 5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
 - 6) Municipal investment pools.
 - 7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, 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 investments.
- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

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

C. Cash Management Plan

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

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

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

D. Credit Risk Categories

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

	<u>Bank Balance</u> <u>December 31, 2014</u>
<u>Depository Account</u>	
Insured:	
FDIC	\$ 500,000.00
GUDPA	<u>5,484,791.32</u>
	<u>\$ 5,984,791.32</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 3: Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal and utility 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 of the notes are to be renewed beyond the fourth anniversary date of the original issuance. 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.

Long-Term Debt**General Capital Fund Bonds**

Variable Rate General Improvement Bonds (2% to 4%) Issued July 1, 2011 through July 1, 2027	\$ 1,999,000.00
4.30% General Improvement Bonds Issued January 15, 2001 through January 15, 2015	<u>300,000.00</u>
	<u>\$ 2,299,000.00</u>

Sewer Utility Fund

U.S.D.A. Loan Interest Rate 4.75% Issued July 17, 2002 Through July 17, 2043	<u>\$ 1,745,685.78</u>
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Mandatory Sinking Fund Redemption – The Bonds maturing on April 1, 2012 are subject to mandatory sinking fund redemption on April 1, 2003 and on each April 1 thereafter, at the principal amount thereof, plus accrued interest to the date of redemption.

The debt principal and interest requirements for the long term debt during the next five fiscal years are as follows:

Green Acres Loans

<u>Year Ending December 31</u>	<u>General Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 70,185.92	16,414.43
2016	71,596.56	15,003.70
2017	73,035.64	13,564.61
2018	74,503.65	12,096.58
2019	67,763.16	10,626.65
2020-2024	345,632.69	32,839.72
2025-2028	<u>135,462.65</u>	<u>3,836.62</u>
	<u>\$ 838,180.17</u>	<u>104,382.31</u>

NOTE 3: Debt (Continued)**2014 General Improvements**

<u>Year Ending December 31</u>	<u>General Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 439,000.00	82,325.00
2016	150,000.00	65,950.00
2017	150,000.00	62,200.00
2018	150,000.00	57,700.00
2019	160,000.00	53,200.00
2020-2024	850,000.00	180,800.00
2025-2026	<u>400,000.00</u>	<u>24,000.00</u>
	<u>\$ 2,299,000.00</u>	<u>526,175.00</u>

<u>Year Ending December 31</u>	<u>N.J. Environmental Infrastructure Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 35,939.19	6,000.00
2016	35,310.81	4,975.00
2017	34,674.78	3,937.50
2018	34,041.09	2,887.50
2019-2020	<u>74,212.58</u>	<u>2,493.75</u>
	<u>\$ 214,278.45</u>	<u>21,306.25</u>

<u>Year Ending December 31</u>	<u>Sewer Utility Fund – U.S.D.A. Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 30,835.80	82,558.20
2016	32,317.89	81,076.11
2017	33,871.22	79,522.78
2018	35,499.21	77,894.79
2019	37,205.45	76,188.75
2020-2024	214,663.12	352,336.88
2025-2029	271,416.26	295,553.74
2030-2034	343,221.93	223,748.97
2035-2039	434,024.43	132,945.47
2040-2042	<u>312,660.47</u>	<u>26,435.38</u>
	<u>\$ 1,745,685.78</u>	<u>1,428,260.07</u>

NOTE 4: Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The Borough has a potential liability of \$486,234.93 at December 31, 2014. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5: Fund Balances Appropriated

The fund balance at December 31, 2014 which was appropriated and included as anticipated revenue in the year ending December 31, 2015 as follows:

Current Fund:

Fund Balance	\$ 500,000.00
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NOTE 6: Assessment and Collections 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 13th.

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The 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 August 1st and November 1st, and the final payments are due and payable on February 1st and May 1st. The N.J. statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are 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 July 1st of the current tax year even though the amount due is not known.

NOTE 7: 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 8: Pensions**A. Plan Description**

Employees of the Borough are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employee's Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey, which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, disability, annual cost of living adjustments and death benefits to plan members. Each plan has a Board of Trustees that implement benefit provisions which are established and amended by State statute. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained in writing to:

NOTE 8: Pensions (Continued)**A. Plan Description (Continued)**

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, NJ 08625-0295

As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L.1994, plan members enrolled in the Public Employees' Retirement System are required to contribute 5.5% of their annual covered salary. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement Systems are required to contribute 10% of their annual covered salary. Contributions during the last three years for the plans are as follows from the Borough.

	<u>PERS</u>	<u>PFRS</u>
2014	\$ 123,427	245,584
2013	128,870	241,159
2011-2012	132,911	249,736

NOTE 9: Sewer Utility

The Borough in fiscal year 2002, established a self liquidating sewer utility fund. This was an agreement with the federal government to fund the rehabilitation of the Borough's sewer system.

NOTE 10: Interfunds Receivable and Payable

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 10,349.53	1,647,640.83
Trust - Other	28,992.31	100,000.00
Trust - Dog		10,349.53
General Capital	420,469.37	
Grant Fund	90,434.38	60,289.14
Sewer - Operating	1,268,033.91	20,000.00
Sewer - Capital	<u>20,000.00</u>	<u> </u>
Total	<u>\$ 1,838,279.50</u>	<u>1,838,279.50</u>

NOTE 11: Length of Service Award Program

On November 4, 2003 the voters of the Borough approved the creation of a Length of Service Award Program ("LOSAP"). Subsequently, the Division approved the Borough's LOSAP plan, provided by Lincoln Financial Group. The purpose of this program is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The program shall provide for a fixed annual contribution of \$800 for the fire company and the first aid squad to each eligible volunteer who accumulates a minimum of 80 service points based on criteria established by Borough Ordinance No. 2003-32. The Borough's contribution shall be included in the current year's budget.

All amounts awarded under a length of service award program shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subjected to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

The Borough's estimated contribution for the year ended December 31, 2015 is \$41,000. We did review the plan for the year ended December 31, 2014 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Standards for Accounting and Review Services in conjunction with the Annual audit of the Borough's financial statements.

At December 31, 2014, the value of the plan is \$339,638.29.

NOTE 12: Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years.

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Amount</u> <u>Resulting</u> <u>From 2014</u>	<u>2014</u> <u>Budget</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Current Fund:				
Emergency Appropriation	\$ 4,974,494.00	252,000.00	2,431,994.00	2,794,500.00
Dog Trust:				
Deficit in Dog Fund	<u>6,835.00</u>	<u>4,361.00</u>	<u>6,835.00</u>	<u>4,361.00</u>
Total	<u>\$ 4,981,329.00</u>	<u>4,361.00</u>	<u>2,438,829.00</u>	<u>2,798,861.00</u>

NOTE 13: Contingencies

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 within the stated policy limits and would be deferred by the respective carriers.

NOTE 14: 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 22, 2015.

NOTE 15: Hurricane Sandy

On October 29, 2012 Hurricane Sandy struck the New Jersey coast and caused extensive damage to the Borough of Union Beach. The Borough authorized a \$3,000,000.00 emergency in 2012 and a \$3,500,000.00 emergency in 2013 to its budget named "Hurricane Sandy" and spent \$2,396,893.13 in total through December 31, 2014. These expenditures have been audited in detail.

BOROUGH OF UNION BEACH

COUNTY OF MONMOUTH

PART II

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties were acquired in 2014 by foreclosure as a result of liquidation 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 in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 2,191,000.00
2013	2,191,000.00
2012	2,191,000.00

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2014	\$ 1,414,475.88	1,434,416.00
2013	1,445,893.39	1,350,792.06

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	<u>December 31</u>	
2014	\$ 686,302.80	500,000.00
2013	573,440.82	500,000.00
2012	527,572.22	500,000.00

Water-Sewer Fund

2014	\$ 1,319,222.99	None
2013	588,554.70	None
2012	207,769.48	None

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>% of Collection</u>
2014	\$ 13,525,914.30	13,206,712.02	97.64%
2013	13,580,512.61	13,259,434.74	97.64%
7/1/12 to 12/31/12	7,418,044.96	7,100,916.14	95.72%
7/1/11 to 6/30/12	14,571,514.13	14,466,171.33	99.28%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage of the total delinquent taxes and tax title liens, in relation to the tax levies of the last three auditing periods. In 2013 the Borough reverted to a calendar year.

<u>Fiscal Year Ended June 30</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	\$ 66.27	315,016.26	315,082.53	2.32%
2013	-	303,386.64	303,386.64	2.23%
7/1/12 to 12/31/12	-	296,020.99	296,020.99	3.99%
7/1/11 to 6/30/12	-	105,459.54	105,459.54	0.72%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2014	\$ 2,191,000.00
2013	2,191,000.00
2012	2,191,000.00

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

Cash Receipts Form Fees, Rents or Other Charges for the Year	\$ 1,451,559.59
Deductions:	
Operating and Maintenance Cost	1,271,009.00
Debt Service Per Water-Sewer Account	132,950.00
Total Deductions	<u>1,403,959.00</u>
Excess in Revenues	<u>\$ 47,600.59</u>

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**LIST OF OFFICIALS AND SURETY BOND COVERAGE****DECEMBER 31, 2014**

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

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Paul J. Smith, Jr.	Mayor	
Albin J. Wicki	Councilman - President	
Louis Andreuzzi	Councilman	
Charles W. Cocuzza	Councilman	
Cherlanne Roche	Councilwoman	
Lawrence Mascliak	Councilman	
Jeffrey Williams	Councilman	
Anne Marie Friscia	Borough Clerk	
Jennifer W. Maier	Administrator	
Desiree Durkin	Tax Collector	\$ 1,000,000.00
Joseph Faccione	Chief Financial Officer	1,000,000.00
Richard Thompson	Municipal Court Judge	50,000.00
Tracey Darby	Municipal Court Clerk	50,000.00
Edward G. Broberg	Engineer	
John T. Lane, Jr.	Attorney	

All surety bonds are in accordance with state statutes.

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

Balance December 31, 2013	<u>Ref.</u> A		\$ 3,431,931.71
Increased by:			
Tax Collector	A-5	13,671,158.19	
Borough Clerk	A-6	9,620.98	
State of New Jersey Veterans and Senior Citizens	A-8	54,890.41	
Revenue Accounts Receivable	A-15	4,221,161.85	
Federal and State Grants Receivable	A-18	371,468.10	
Federal and State Grants Unappropriated	A-20	22,557.62	
Miscellaneous Revenue Not Anticipated	A-2	179,580.30	
Insurance Claims	A	217,266.00	
SUI Interfund	B	4,649.11	
FEMA Funds	A	904,085.51	
Public Works Equipment	A	100,720.40	
Interfunds:			
Trust	B	9,387.35	
			<u>19,766,545.82</u>
			23,198,477.53
Decreased by:			
Budget Appropriations	A-3	7,903,492.06	
Federal and State Grants	A-19	626,225.10	
Accounts Payable	A	59,178.44	
Local District School Taxes	A-13	5,677,810.32	
County Taxes Payable	A-14	1,721,063.92	
Emergency Notes	A	1,601,544.00	
Bond Anticipation Notes	A	930,450.00	
Tax Appeals	A-17	29,009.01	
Other Reserves	A	67,301.31	
State of New Jersey - Construction Fees	A	9,927.02	
Appropriation Reserves	A-16	95,314.97	
Revaluation	A	98,000.00	
Capital	C	195,013.28	
Sewer	D	391,698.07	
Dog Trust	A-21	<u>3,516.00</u>	
			<u>19,409,543.50</u>
Balance December 31, 2014	A		<u>\$ 3,788,934.03</u>

CURRENT FUND

Exhibit A-5

SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 300,537.37
Increased by:			
Taxes Receivable	A-7	13,371,046.68	
Interest Earned	A-2	1,158.19	
Tax Sale Costs	A-4	4,604.71	
Prepaid Taxes	A	75,432.47	
Interest and Costs on Taxes	A-15	35,650.27	
Advertising Fees	A-2	4,570.25	
Year End Penalty	A-4	815.06	
Duplicate Bills	A-5	825.00	
			<u>13,494,102.63</u>
			13,794,640.00
Decreased by:			
Interest to Lower Current	A-2	1,158.19	
Paid to Treasurer	A-4	13,670,000.00	
			<u>13,671,158.19</u>
Balance December 31, 2014	A		<u><u>\$ 123,481.81</u></u>

CURRENT FUND**Exhibit A-6****SCHEDULE OF CASH - BOROUGH CLERK**

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 0.32
Increased by:			
Vending License	A-2	1,915.00	
Wreckers License	A-2	625.00	
Property Deposit	A-2	1,000.00	
Taxi License	A-2	125.00	
Fireworks	A-2	80.00	
Interest Income	A-2	0.98	
Solicitors License	A-2	10.00	
Helpers License	A-2	230.00	
Canvassing Permits	A-2	20.00	
Polling Rental	Contra	1,600.00	
Liquor License	A	<u>5,120.00</u>	
			<u>10,725.98</u>
			10,726.30
Decreased by:			
Polling	Contra	1,600.00	
Current Fund-Interest	A-4	0.98	
Payments to Treasurer	A-4	<u>8,020.00</u>	
			<u>9,620.98</u>
Balance December 31, 2014	A		<u><u>\$ 1,105.32</u></u>

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	Tax Levy	Cash		Veterans and Senior Citizens Deductions	Transferred To Liens	Balance Dec. 31, 2014
	Dec. 31, 2013		2013	2014			
Prior Years	\$ 303,386.64	4,186.02		307,506.39		66.27	-
2014		13,521,728.28	68,797.20	13,082,974.41	54,940.41		315,016.26
	\$ 303,386.64	13,525,914.30	68,797.20	13,390,480.80	54,940.41	66.27	315,016.26
Ref.	A		A	A-4,5	A-8	A	A

Analysis of Property Tax Levy

Fiscal Year Tax Levy	\$13,358,048.21
Added and Omitted Taxes	163,680.07

\$ 13,521,728.28

Tax Levy

Local District School Tax		
General County Tax	A-14	1,507,442.58
County Library Tax		96,051.75
County Health Tax		29,761.91
Open Space Preservation		82,197.24
Added Taxes Due County		21,580.23

1,737,033.71

Amount to be Raised in Support of Municipal Budget Added Taxes

	A-2	5,964,698.68
		142,184.89

6,106,883.57

\$ 13,521,728.28

CURRENT FUND

Exhibit A-8

SCHEDULE OF SENIOR CITIZEN AND VETERANS

DEDUCTIONS DUE FROM STATE OF NEW JERSEY

Balance December 31, 2013	<u>Ref.</u> A		\$ 37,270.03
Increased by:			
Veterans Per Tax Billings		44,750.00	
Senior Citizens Per Tax Billings		16,550.00	
Senior Citizens Disallowed by Tax Collector		<u>6,359.59</u>	
	A-7		<u>54,940.41</u>
			92,210.44
Decreased by:			
Received from State	A-4		<u>54,890.41</u>
Balance December 31, 2014	A		<u><u>\$ 37,320.03</u></u>

SCHEDULE OF DEMOLITION LIENS

Exhibit A-9

Balance December 31, 2013 and 2014	<u>Ref.</u> A	<u><u>\$ 14,508.12</u></u>
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CURRENT FUND**Exhibit A-10****SCHEDULE OF TAX OVERPAYMENTS**

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 43,592.67
Decreased by:		
Applied to Taxes	A-4	<u>36,082.33</u>
Balance December 31, 2014	A	<u><u>\$ 7,510.34</u></u>

SCHEDULE OF RESERVE FOR FEMA FUNDS**Exhibit A-11**

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 339,242.10
Decreased by :		
Cash Received	A-4	<u>904,085.51</u>
Balance December 31, 2014	A	<u><u>\$ 1,243,327.61</u></u>

SCHEDULE OF FORECLOSED PROPERTY**Exhibit A-12**

	<u>Ref.</u>	
Balance December 31, 2013 and 2014	A	<u><u>\$ 2,191,000.00</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

46.

CURRENT FUND

Exhibit A-13

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES

	<u>Ref.</u>		
Levy School Year:			
January 1, 2014 to Dec. 31, 2014	A-1		\$5,677,811.00
Decreased by:			
Paid	A-4	5,677,810.32	
Reduce Prepaid	A	<u>0.68</u>	
			<u>\$5,677,811.00</u>

SCHEDULE OF COUNTY TAXES PAYABLE

Exhibit A-14

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 5,610.84
County Tax Levy:			
General County		1,507,442.58	
County Library		96,051.75	
County Health		29,761.91	
County Open Space Preservation		82,197.24	
Due County for Added Taxes		<u>21,580.23</u>	
	A-1		<u>1,737,033.71</u>
Decreased by:			1,742,644.55
Paid	A-4		<u>1,721,063.92</u>
Balance Due December 31, 2014	A		<u>\$ 21,580.63</u>

CURRENT FUNDSCHEDULE OF REVENUE ACCOUNTS RECEIVABLEFOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	<u>Accrued</u>	<u>Receipts</u>
Licenses:			
Alcoholic Beverages	A-2	\$ 5,050.00	5,050.00
Fees and Permits:			
Code Enforcement	A-2	13,753.70	13,753.70
Street Openings	A-2	16,602.50	16,602.50
Tenant and Landlord Registration	A-2	2,290.00	2,290.00
Borough Clerk	A-2	4,075.00	4,075.00
Tax Office	A-2	825.00	825.00
Abandoned House	A-2	16,542.03	16,542.03
Other	A-2	2,436.70	2,436.70
FEMA Reimbursement	A-2	2,144,000.00	2,144,000.00
Community Disaster Loan	A-2	899,000.00	899,000.00
Municipal Court	A-2	92,479.56	92,479.56
Interest and Costs on Taxes	A-2	46,795.86	46,795.86
Energy Receipts Tax	A-2	647,876.00	647,876.00
Consolidated Municipal Property Tax Relief Aid	A-2	18,570.00	18,570.00
Uniform Construction Code Fees	A-2	446,959.05	446,959.05
Cablevision	A-2	33,839.00	33,839.00
AT&T Wireless	A-2	24,484.80	24,484.80
Recycling Costs	A-2	4,923.40	4,923.40
Parking Meters	A-2	17,910.10	17,910.10
Verizon	A-2	52,241.31	52,241.31
Metro PCS	A-2	15,695.33	15,695.33
T-Mobile	A-2	23,182.08	23,182.08
Total Revenue		<u>\$ 4,529,531.42</u>	<u>4,529,531.42</u>
	Ref.		
Realized From Reserve	A		\$ 308,369.57
Cash	A-4		<u>4,221,161.85</u>
			<u>\$4,529,531.42</u>

CURRENT FUND

Exhibit A-16

SCHEDULE OF APPROPRIATION RESERVES

Balance December 31, 2013	<u>Ref.</u> A		\$ 119,164.64
Decreased by:			
Disbursed	A-4	95,314.97	
Balance Lapsed	A-1	<u>23,849.67</u>	
			<u><u>\$ 119,164.64</u></u>

CURRENT FUND

Exhibit A-17

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 396,823.06
Decreased by:		
Refunded	A-4	<u>29,009.01</u>
Balance December 31, 2014	A	<u><u>\$ 367,814.05</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-18

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Budget Revenue Realized</u>	<u>Received</u>	<u>Transferred From Unappropriated Reserve</u>	<u>Balance Dec. 31, 2014</u>
	\$ -	125,400.00	114,100.00	11,300.00	
Princeton Foundation Grant	8,330.62				8,330.62
N.J. D.E.P. Sewer Infrastructure Phase II	2,030.00		2,000.00		30.00
Bayshore Saturation Patrol-DWI	280,250.00				280,250.00
DOT - Scholar Park Phase II	524,006.00				524,006.00
Robin Hood Foundation	109,075.60	285,660.12	119,208.90		275,526.82
Monmouth County Workforce Development		21,555.46	10,432.11	11,123.35	
Clean Communities		17,855.00			
Township of Madison Grant		9,281.70		9,281.70	17,855.00
Recycling Tonnage Grant		2,098.31		2,098.31	-
Police Body Armor		5,982.96		5,982.96	-
Home Owners Grant		59,849.12	7,984.50		51,864.62
DCA Zoning Grant		2,694.88	2,694.88		-
DDEF		3,480.00		3,480.00	-
DWI					
Post Sandy Planning Assistance	30,000.00				30,000.00
Drive Sober or Get Pulled Over	1,000.00	5,000.00	6,000.00		-
Department of Transportation-Harris Ave.	14,009.38				14,009.38
Aggressive Driving Enforcement	2,800.00		1,400.00		1,400.00
DOT - Edmunds Ave Phase II	27,372.40				27,372.40
Cops in Shops		1,200.00	1,200.00		
Homeowner's Assistance Grant		7,132.89	7,132.89		
Post Sandy Planning Grant		280,000.00	99,314.82		180,685.18
Construction Grant		1,000.00		1,000.00	
DOT - Flat Creek Dredging	35,363.65				35,363.65
Legislative OEM Grant	1,485.74				1,485.74
	\$ 1,035,723.39	828,190.44	371,468.10	44,266.32	1,448,179.41

Ref.

A

A-3

A-4

A-20

A

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-19

FEDERAL AND STATE GRANT FUND

SCHEDULE OF APPROPRIATION RESERVES

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Transfer</u> <u>From</u> <u>Budget</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Recycling Tonnage	\$ 33,369.99	9,281.70	19,315.00	23,336.69
Township of Madison		17,855.00	17,855.00	
Clean Shores	1,223.10			1,223.10
Robin Hood Foundation	597,301.80			597,301.80
Driving While Intoxicated	900.00	3,480.00	230.00	4,150.00
Rocky Foundation District 7500	31,780.00			31,780.00
Homeowner's Grant		6,982.96	6,000.00	982.96
Princeton foundation Grant		125,400.00	67,029.99	58,370.01
Monmouth County Workforce Development	55,128.60	285,660.12	287,269.39	53,519.33
Clean Communities	22,210.82	21,555.46		43,766.28
Post Sandy Planning Grant		280,000.00	148,018.70	131,981.30
DCA Zoning Grant		59,849.12	31,445.42	28,403.70
Police Body Armor	6,814.63	2,098.31	4,445.75	4,467.19
Municipal Storm Water Grant	536.95			536.95
Improvements to Pine Street	51.90			51.90
Federal Beachfront Grant	303,399.75			303,399.75
Post Sandy Planning Assistance Grant	30,000.00		30,000.00	-
DOT - Reconst Jersey Avenue - Phase II	314.09			314.09
Jewish Foundation of New Jersey	10,000.00			10,000.00
Gateway Church	10,000.00		9,615.85	384.15
Cops in Shops		1,200.00		1,200.00
Homeowner's Assistance Grant	1,874.29	7,132.89		7,132.89
Alcohol Ed. and Rehabilitation	7,920.67			1,874.29
State Recycling	15,179.41			7,920.67
County of Monmouth Open Space Grant	114,046.23			15,179.41
Scholar Park Phase II				114,046.23
Drive Sober or Get Pulled Over		5,000.00	5,000.00	-
Emergency Management Performance Grant	1,458.83			1,458.83
Drunk Driving Enforcement Fund	10,290.63	2,694.88		12,985.51
	\$ 1,253,801.69	828,190.44	626,225.10	1,455,767.03

Ref.

A

A-18

A-4

A

FEDERAL AND STATE GRANT FUND

SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2013	Transferred To Budget Appropriations	Received	Balance Dec. 31, 2014
Police Body Armor	\$ 2,098.31	2,098.31	1,765.27	1,765.27
DWI			2,673.18	2,673.18
NJNG Solar Panels			2,500.00	2,500.00
Construction Grant	1,000.00	1,000.00		-
Princeton Foundation	11,300.00	11,300.00		-
Homeowners Grant	5,982.96	5,982.96		-
Driving While Intoxicated	3,480.00	3,480.00	7,260.00	7,260.00
Recycling Tonnage	9,281.70	9,281.70	8,359.17	8,359.17
Clean Communities	11,123.35	11,123.35		-
	<u>\$ 44,266.32</u>	<u>44,266.32</u>	<u>22,557.62</u>	<u>22,557.62</u>
Ref.	A	A-18	A-4	A

CURRENT FUND

Exhibit A-21

SCHEDULE OF DUE TO/FROM DOG TRUST FUND

Balance December 31, 2013 Due From	<u>Ref.</u> A	\$ 6,833.53
Increased by:		
Disbursements Made in Current Fund	A-4	<u>10,351.00</u>
		17,184.53
Decreased by:		
Deferred Charges	A-3	<u>6,835.00</u>
Balance December 31, 2014 Due From	A	<u><u>\$ 10,349.53</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B-1

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>State Unemployment Insurance</u>	<u>Dog Fund</u>	<u>Payroll Account</u>	<u>Trust Other</u>	<u>Total</u>
Balance December 31, 2013	B	\$ 3,347.43	(0.60)	138,725.27	455,250.61	597,322.71
Increased by Receipts:						
Dog Licenses Fees	B		7,262.87			7,262.87
Performance Escrow	B-5				792,653.60	792,653.60
Tax Title Liens	B-6				570,716.08	570,716.08
General Capital	B-8				100,000.00	100,000.00
Law Enforcement	B-9				4.25	4.25
Special Duty Police	B-10				120,384.54	120,384.54
Disaster Relief Fund	B-11				362.32	362.32
Tax Premium	B-7				441,986.26	441,986.26
Total Receipts		-	7,262.87	-	2,026,107.05	2,033,369.92
Total Receipts and Balances		3,347.43	7,262.27	138,725.27	2,481,357.66	2,630,692.63
Decreased by Disbursements:						
Dog Licenses Fees	B		1,273.12			1,273.12
Performance Escrow	B-5				736,363.53	736,363.53
Tax Title Lien	B-6				568,131.31	568,131.31
Law Enforcement	B-9				3,100.00	
Payroll/Agency	B			23,415.37		
Special Duty Police	B-9				115,935.85	115,935.85
Disaster Relief Fund	B-10				190,000.00	190,000.00
Tax Premium	B-7				422,478.18	422,478.18
Total Disbursements		-	1,273.12	23,415.37	2,036,008.87	2,034,181.99
Balance December 31, 2014	B	\$ 3,347.43	5,989.15	115,309.90	445,348.79	596,510.64

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit B-2

TRUST FUND**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ (6,834.13)
Increased by:		
Budget Appropriations	A-3	<u>6,835.00</u>
		0.87
Decreased by:		
Expenditures Made in Current	B-3	<u>4,361.25</u>
Balance December 31, 2014	B	<u><u>\$ (4,360.38)</u></u>

SCHEDULE OF INTERFUND - CURRENT

Exhibit B-3

DOG TRUST

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 6,833.53
Increased by:		
Expenditures Made in Current	B-1,B-2	<u>10,351.00</u>
		17,184.53
Decreased by:		
Turned Over to Current	B-2	<u>6,835.00</u>
Balance December 31, 2014	B	<u><u>\$ 10,349.53</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**Exhibit B-4****SCHEDULE OF RESERVE FOR UNEMPLOYMENT INSURANCE**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 17,673.86
Increased By:		
2014 Current Budget	A-3	<u>30,000.00</u>
		47,673.86
Decreased by:		
Payments Made in Current Fund	B	<u>25,350.89</u>
Balance December 31, 2014	B	<u><u>\$ 22,322.97</u></u>

SCHEDULE OF RESERVE FOR PERFORMANCE ESCROW**Exhibit B-5**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 33,969.60
Increased by:		
Receipts	B-1	<u>792,653.60</u>
		826,623.20
Decreased by:		
Disbursements	B-1	<u>751,749.80</u>
Balance December 31, 2014	B	<u><u>\$ 74,873.40</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

57.

Exhibit B-6**SCHEDULE OF RESERVE FOR TAX TITLE LIENS**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 887.59
Increased by:		
Receipts	B-1	<u>570,716.08</u>
		571,603.67
Decreased by:		
Disbursements	B-1	<u>568,131.31</u>
Balance December 31, 2014	B	<u><u>\$ 3,472.36</u></u>

SCHEDULE OF RESERVE FOR TAX SALE PREMIUM**Exhibit B-7**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 158,415.23
Increased by:		
Receipts	B-1	<u>441,986.26</u>
		600,401.49
Decreased by:		
Disbursements	B-1	<u>422,478.18</u>
Balance December 31, 2014	B	<u><u>\$ 177,923.31</u></u>

SCHEDULE OF RESERVE FOR NATIONAL NIGHT OUT**Exhibit B-8**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 1,285.12
Less:		
Adjustment	B-12	<u>40.19</u>
Balance December 31, 2014	B	<u><u>\$ 1,244.93</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**Exhibit B-9****SCHEDULE OF RESERVE****FOR LAW ENFORCEMENT TRUST**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 4,654.63
Increased by:		
Receipts	B-1	4.25
		<u>4,658.88</u>
Decreased by:		
Disbursements	B-1	3,100.00
		<u>3,100.00</u>
Balance December 31, 2014	B	<u><u>\$ 1,558.88</u></u>

SCHEDULE OF SPECIAL DUTY POLICE**Exhibit B-10**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 12,054.75
Increased by:		
Receipts	B-1	120,384.54
		<u>132,439.29</u>
Decreased by:		
Disbursements	B-1	115,935.85
		<u>115,935.85</u>
Balance December 31, 2014	B	<u><u>\$ 16,503.44</u></u>

SCHEDULE OF DISASTER RELIEF FUND**Exhibit B-11**

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 241,608.84
Increased by:		
Receipts	B-1	362.32
		<u>241,971.16</u>
Decreased By:		
Disbursements	B-1	190,000.00
		<u>190,000.00</u>
Balance December 31, 2014	B	<u><u>\$ 51,971.16</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**Exhibit B-12****SCHEDULE OF RESERVE FOR VARIOUS RESERVES**

Balance December 31, 2013	<u>Ref.</u> B		\$ 20,765.49
Increased by:			
Adjustment	B-8	40.19	
Interfund - Current	B-13	<u>7,012.50</u>	
			<u>7,052.69</u>
Balance December 31, 2014	B		<u>\$ 27,818.18</u>

SCHEDULE OF INTERFUND - DUE FROM CURRENT**Exhibit B-13**

Balance December 31, 2013	<u>Ref.</u> B		\$ 18,390.64
Decreased by:			
Various Reserves	B-12		<u>8,041.11</u>
Balance December 31, 2014	B		<u>\$ 10,349.53</u>

GENERAL CAPITAL FUNDSCHEDULE OF CAPITAL CASH

Exhibit C-2

Balance December 31, 2013	<u>Ref.</u> C		\$ 51,836.00
Increased by:			
Capital Improvement Fund	C-8	50,000.00	
Interfund Trust	C-3	100,000.00	
Interfund Current	C-3	195,113.28	
Grants Receivable	C-9	340,000.00	
Emergency Note	C-3	60,000.00	
Reserve For Debt Service	C-3	466,561.73	
Bond Anticipation Notes	C-12	<u>930,450.00</u>	
			<u>2,142,125.01</u>
			2,193,961.01
Decreased By:			
Other	C-3	20,000.00	
Improvement Authorizations	C-6	<u>1,912,125.01</u>	
			<u>1,932,125.01</u>
Balance December 31, 2014	C		<u><u>\$ 261,836.00</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-3

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	Balance Dec. 31, 2013	Receipts	Disbursements	Transfers From To	Balance Dec. 31, 2014
Fund Balance	\$ 99,297.47				99,297.47
Capital Improvement Fund	1,850.70	50,000.00		48,979.00	2,871.70
Department of Transportation #635	(19,441.58)				(19,441.58)
Department of Transportation 2008-117	(40,000.00)				(40,000.00)
Department of Transportation 2012-185	(200,000.00)	130,000.00			(70,000.00)
Department of Transportation 2014-203		175,000.00		220,000.00	(45,000.00)
Emergency Note	(240,000.00)	60,000.00			(180,000.00)
Open Space Grant	(35,000.00)	35,000.00			-
Open Space-2014-203	500,000.00			177,571.00	(177,571.00)
Cash on Hand to Pay Notes	19,011.76	466,561.73			500,000.00
Reserve for Debt Service	(455,293.51)	195,113.28			485,573.49
Interfund Current		100,000.00			(260,180.23)
Interfund Trust			20,000.00		100,000.00
Other					(20,000.00)
Green Acres - Front Street	(6,333.25)				(6,333.25)
DEP Grant Shore Protection	(150,000.00)				(150,000.00)
Interfund - State & Federal Grant Fund	(60,289.14)				(60,289.14)
Improvement Authorizations:					
746 Various Improvements	(750.00)				(750.00)
784 Various Improvements	1,385.71		635.71		750.00
805 Various Improvements	4,023.80				4,023.80
823 Various Improvements	(463.22)				(463.22)
2002-02 Various Improvements	18,495.43			18,495.43	-
2003-20 Refunding Bonds	4,907.10				4,907.10
2003-22 Various Improvements	(5,011.75)				(5,011.75)
2004-37 Various Improvements	10,545.70				10,545.70
Department of Transportation:	(63,750.00)				(63,750.00)
2005-58 A-D Various Improvements	(800.00)				(800.00)
2006-77 Various Improvements	(750.00)				(750.00)
CDBG Grant	(192,000.00)				(192,000.00)
2009-135 Various Improvements	31,513.04				31,513.04
2010-154 Various Improvements	210.00				210.00
2012-185 Various Improvements	59,776.40		59,776.40		-
2012-190 Various Improvements	83,720.00				83,720.00
2013-195 Scholer Park	141,368.07		141,368.07		-
2013-195 Shore Front	545,613.27		545,613.27		-
2014-206 Police Weapons			11,345.00	18,495.43	7,150.43
2014-203 7th Street		261,250.00	275,000.00	13,750.00	
2014-203 Harrison & Orange Street		419,900.00	442,000.00	22,100.00	
2014-203 Spruce Street		249,300.00	436,386.56	410,700.00	223,613.44
	\$ 51,836.00	2,142,125.01	1,912,125.01	465,045.43	261,836.00

Ref.

C

C-2

C-2

C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-4

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Description	Balance Dec. 31, 2013	Authorized 2014	Decreased	Balance Dec. 31, 2014
2006-77	Various Improvements	\$ 61,750.00			61,750.00
2002-02	Various Improvements	950.00			950.00
2003-22	Various Improvements	725.00			725.00
2004-37	Various Improvements	936,350.00		28,400.00	907,950.00
2005-58	Various Improvements	392,500.00		17,900.00	374,600.00
2007-96	Various Improvements	349,800.00		4,700.00	345,100.00
2008-117	Various Improvements	483,250.00		15,300.00	467,950.00
2009-135	Various Improvements	296,800.00		10,100.00	286,700.00
2009-135	Various Improvements	211,250.00		13,600.00	197,650.00
2011-175	Various Improvements	287,009.00		7,515.00	279,494.00
2012-185	Various Improvements	495,425.00			495,425.00
2012-190	Various Improvements	109,250.00			109,250.00
2013-194	Heckleman Street	58,000.00			58,000.00
2013-194	Shore Protection	104,500.00			104,500.00
2013-194	Scholar Park-Phase IV	150,100.00			150,100.00
2013-195	Scholar Park	209,000.00			209,000.00
2013-195	Shore Front	1,140,000.00			1,140,000.00
2014-203	7th Street		261,250.00		261,250.00
2014-203	Harrison and Orange Streets		419,900.00		419,900.00
2014-203	Spruce Street		249,300.00		249,300.00
		<u>\$ 5,286,659.00</u>	<u>930,450.00</u>	<u>97,515.00</u>	<u>6,119,594.00</u>
		C	C-6	C-5	C
	Budget			\$ 97,515.00	

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-5

SCHEDULE OF BOND ANTICIPATION NOTES

Original Amount Issued	Original Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Issued	Paid	Balance Dec. 31, 2014
Various Improvements	3/18/04	3/5/15	1.25%	\$ 935,600.00		28,400.00	907,200.00
Various Improvements	7/14/05	3/5/15	1.25%	391,700.00		17,900.00	373,800.00
Various Improvements	7/13/06	3/5/15	1.25%	514,800.00		15,300.00	499,500.00
Various Improvements	6/8/07	3/5/15	1.25%	349,800.00		4,700.00	345,100.00
Various Improvements	7/11/08	3/5/15	1.25%	488,350.00		13,600.00	474,750.00
Various Improvements	7/10/09	3/5/15	1.25%	310,400.00		10,100.00	300,300.00
Various Improvements	7/9/10	3/5/15	1.25%	230,935.00		7,515.00	223,420.00
Various Improvements	11/3/11	3/5/15	1.25%	294,524.00			294,524.00
Various Improvements	6/29/12	3/5/15	1.25%	495,425.00			495,425.00
Various Improvements	3/8/13	3/5/15	1.25%	109,250.00			109,250.00
Various Improvements	6/13/13	3/5/15	1.25%	1,349,000.00			1,349,000.00
Various Improvements	6/13/13	3/5/15	1.25%	312,600.00			312,600.00
Various Improvements	12/31/14	3/5/15	1.25%		930,450.00		930,450.00
				<u>\$ 5,782,384.00</u>	<u>930,450.00</u>	<u>97,515.00</u>	<u>6,615,319.00</u>
	Ref.			C	C-11	C-4	C

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Balance Dec. 31, 2013		2014 Authorizations	Cancelled	Expended	Balance Dec. 31, 2014	
		Funded	Unfunded				Funded	Unfunded
784A	Computer Equipment in Tax Office		635.71			635.71		
805E	Acquisition of Land Block 29 Lot 5		4,023.80					4,023.80
823	Reconstruction of Various Streets		36.78					36.78
2003-22D	Improvements to Firefighters Park		0.77					0.77
2003-22J	Acquisition of Street Sweeper		159.79					159.79
2003-22K	Acquisition of First Aid Vehicle		459.79					459.79
2002-22L	Acquisition of Generator - Police		19,245.43		(19,245.43)			-
2004-37A	Reconstruction of Bayview Ave.		7.02					7.02
2004-37D	Replacement of Roof Borough Hall		10,768.00					10,768.00
2004-37F	Reconstruction of Columbia Ave.		520.68					520.68
2009-135D	Various Improvements to Municipal Building		31,513.04					31,513.04
2010-154C	Parking Meters - Purchase & Installation		210.00					210.00
2012-185	Reconstruction of Scholar Drive		20,717.28			20,717.28		-
2012-185	Improvements to Haug Street		39,059.12			39,059.12		-
2012-190	Public Works Roof	1,900.00	36,100.00				1,900.00	36,100.00
2012-190	Emergency Management Vehicle	500.00	9,500.00				500.00	9,500.00
2012-190	Computers & Software		28,485.00					28,485.00
2012-190	Police Software and Hand Scanners		7,235.00					7,235.00
2013-194	Improvement Park		141,368.07			141,368.07		-
2013-194	Impvts To Shore Front		545,613.27			545,613.27		-
2013-194	Acquisition of Police Weapons				19,245.43			7,900.43
2014-203	Reconstruction 7th Street		275,000.00			11,345.00		
2014-203	Reconstruction of Harris and Orange		442,000.00			275,000.00		
2014-203	Reconstruction Spruce Street		660,000.00			442,000.00		
						436,386.56		223,613.44
		\$ 2,400.00	895,658.55	1,377,000.00	-	1,912,125.01	2,400.00	360,533.54
	Ref.	C	C		C-3	C-3	C	C
	Capital Improvement Fund		Ref.					
	DOT Grant		C-8	\$ 48,979.00				
	Monmouth County Open Space Grant		C-3	220,000.00				
	Deferred Charges to Future Taxation - Unfunded		C-3	177,571.00				
			C-4	930,450.00				
				\$ 1,377,000.00				

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-7

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	11/15/01	\$ 3,425,000.00	1/1/2014-15	\$ 300,000.00	4.30%	\$ 600,000.00	300,000.00	300,000.00
General Improvements	7/8/11	2,319,000.00	7/1/15	139,000.00	2.50%	2,114,000.00	115,000.00	1,999,000.00
			7/1/17-18	150,000.00	2.50%			
			7/1/19-22	160,000.00	3.00%			
			7/1/23	170,000.00	3.50%			
			7/1/24-26	200,000.00	4.00%			
						\$ 2,714,000.00	415,000.00	2,299,000.00
					Ref.	C		C

GENERAL CAPITAL FUND**Exhibit C-8****SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 1,850.70
Increased by:		
Fiscal Year 2014 Appropriations	C-11	<u>50,000.00</u>
		51,850.70
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-6	<u>48,979.00</u>
Balance December 31, 2014	C	<u><u>\$ 2,871.70</u></u>

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Exhibit C-9

Ref.	Total	Ord. 2008-117 Department of Transportation	Ord. 635 Department of Transportation	Ord. 805 Green Acres	Ord. 2003-22 Department of Transportation	Ord. 2013-194 Department of Transportation	Ord. 2012-185 Open Spaces	Ord. 2013-194 CDBG	Ord. 2014-203 Department of Transportation	Ord. 2014-203 Open Spaces
C	\$ 706,524.83	40,000.00	19,441.58	6,333.25	63,750.00	200,000.00	235,000.00	142,000.00		
C-2	397,571.00									
	1,104,095.83	40,000.00	19,441.58	6,333.25	63,750.00	200,000.00	235,000.00	142,000.00	220,000.00	177,571.00
	340,000.00						165,000.00		175,000.00	177,571.00
C	\$ 764,095.83	40,000.00	19,441.58	6,333.25	63,750.00	200,000.00	70,000.00	142,000.00	45,000.00	177,571.00

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-10

GENERAL CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

Date of Issue	Original Amount	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Paid	Balance Dec. 31, 2014
		Date	Amount				
8/1/01	\$ 600,000.00	8/1/15	\$ 35,939.19	5.13%	\$ 250,738.35	36,559.90	214,178.45
		8/1/16	35,310.81				
		8/1/17	34,674.78	5.25%			
		8/1/18	34,041.09				
		8/1/19	33,387.39				
		8/1/20	40,533.24				
					\$ 250,738.35	36,559.90	214,178.45
				Ref.	C		C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Purpose</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2014</u>
Various Improvements	823	\$ 500.00			500.00
Various Improvements	2002-02	750.00			750.00
Various Improvements	2003-22	725.00			725.00
Various Improvements	2004-37	750.00			750.00
Various Improvements	2005-58	800.00			800.00
Various Improvements	2006-77	750.00			750.00
Various Improvements	2014-203		930,450.00	930,450.00	
		\$ 4,275.00	930,450.00	930,450.00	4,275.00
Ref.		C	C-4	C-5	C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-12

GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES LOAN

Date of Issue	Original Amount	Maturities of		Interest Rate	Balance Dec. 31, 2013	Paid	Balance Dec. 31, 2014
		Bonds Outstanding Date	Amount				
11/10/05	\$ 500,000.00	2/16/06 to 2/16/25	Various	2.00%	\$ 330,245.40	24,609.12	305,636.28
6/18/07	250,000.00	3/21/08 to 3/21/26	Various	2.00%	178,762.22	12,722.07	166,040.15
9/7/07	220,000.00	7/01/08 to 7/01/27	Various	2.00%	166,328.14	10,405.51	155,922.63
9/3/08	144,075.80	9/03/08 to 6/05/28	Various	2.00%	112,283.35	6,746.99	105,536.36
8/1/09	132,885.98	8/01/09 to 8/26/26	Various	2.00%	93,246.09	9,301.42	83,944.67
10/25/07	56,408.50	10/25/07 to 10/25/18	Various	2.00%	26,117.85	5,017.76	21,100.09
					\$ 906,983.05	68,802.87	838,180.18
				Ref.	C		C

SEWER UTILITY FUND**Exhibit D-4****SCHEDULE OF CASH**

	<u>Ref.</u>		
Balance December 31, 2013	<u>D</u>		\$ 208,776.45
Increased by:			
Sewer Charges Receivable	D-2	1,434,416.00	
Miscellaneous Revenue Not Anticipated	D-2	<u>17,687.78</u>	
			<u>1,452,103.78</u>
			1,660,880.23
Decreased by:			
Payments to Current Fund			<u>1,295,333.63</u>
Balance December 31, 2014	<u>D</u>		<u>\$ 365,546.60</u>

SEWER CAPITAL FUND**SCHEDULE OF CASH****Exhibit D-5**

Balance December 31, 2013	D		\$ 172,028.39
Expended			
Improvements to Sewer System	D-15		<u>105,263.93</u>
Balance December 31, 2014	<u>D</u>		<u>\$ 66,764.46</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**SEWER UTILITY FUND****Exhibit D-6****SCHEDULE OF SEWER RENTS RECEIVABLE**

Balance December 31, 2013	<u>Ref.</u> D	\$ 250,186.54
Increased by:		
Rents Levied		<u>1,414,474.88</u>
		1,664,661.42
Decreased by:		
Receipts - Sewer Account	D-2	<u>1,434,416.00</u>
Balance December 31, 2014	D	<u><u>\$ 230,245.42</u></u>

SCHEDULE OF APPROPRIATION RESERVES**Exhibit D-7**

Balance December 31, 2013	<u>Ref.</u> D	<u>\$ 244,874.99</u>
Decreased by:		
Cancelled to Current	D-1	<u><u>\$ 244,874.99</u></u>

SEWER OPERATING UTILITY FUND

Exhibit D-8

SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2013 and 2014	D	<u>\$ 2,126,297.11</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Exhibit D-9

	<u>Ref.</u>	
Balance December 31, 2013 and 2014	D	<u>\$ 5,000.00</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit D-10

SEWER UTILITY FUND

SCHEDULE OF U.S.D.A. LOAN

<u>Description</u>	<u>Date of Issue</u>	<u>Original Amount Issued</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid</u>	<u>Balance Dec. 31, 2014</u>
Improvements to Sewer System	7/17/02	\$2,022,000.00	1/17/15	\$ 30,120.44	4.75%	\$1,760,209.25	14,523.47	1,745,685.78
			1/17/16	31,568.15				
			1/17/17	33,085.44				
			1/17/18	34,675.66				
			1/17/19	36,342.32				
			1/17/20	38,089.08				
			1/17/21	39,919.80				
			1/17/22	41,838.50				
			1/17/23	43,849.44				
			1/17/24	45,957.02				
			1/17/25	48,165.90				
			1/17/26	50,480.95				
			1/17/27	52,907.26				
			1/17/28	55,450.20				
			1/17/29	58,115.36				
			1/17/30	60,908.62				
			1/17/31	63,836.14				
			1/17/32	66,904.37				
			1/17/33	70,120.06				
			1/17/34	73,490.32				
			1/17/35	77,022.56				
			1/17/36	80,724.58				
			1/17/37	84,604.53				
			1/17/38	88,670.97				
			1/17/39	92,932.85				
			1/17/40	97,399.58				
			1/17/41	102,081.00				
			1/17/42	106,987.43				
			1/17/43	54,320.72				
						\$1,760,209.25	14,523.47	1,745,685.78

Ref:

D

D-3

D

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit D-11

SEWER UTILITY FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Description</u>	<u>Original Amount Issued</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid By Budget</u>	<u>Balance Dec. 31, 2014</u>
Various Capital Improvements	\$ 100,000.00	6/8/07	3/5/15	1.250%	\$ 84,100.00	5,300.00	78,800.00
Various Capital Improvements	285,000.00	11/3/12	3/5/15	1.250%	285,000.00		285,000.00
					<u>\$ 369,100.00</u>	<u>5,300.00</u>	<u>363,800.00</u>
			Ref.		D	D-3	D

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit D-12 76.

SEWER CAPITAL UTILITY FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>Ord. #</u>	<u>Description</u>	<u>Balance</u>	<u>Expended</u>	<u>Balance</u>
		<u>Dec. 31, 2013</u>		<u>Dec. 31, 2014</u>
		<u>Unfunded</u>		<u>Unfunded</u>
2011-178	Improvements to Sewer System	<u>\$ 187,028.39</u>	<u>105,263.93</u>	<u>81,764.46</u>
	Ref.	D	D-5,8	D

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit E-1

PUBLIC ASSISTANCE FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION

PER N.J.S.A. 40A:5-5

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 10,014.55
Decreased by:		
Bank Analysis Fees		<u>228.14</u>
Balance December 31, 2014	E	<u>\$ 9,786.41</u>

BOROUGH OF UNION BEACH

COUNTY OF MONMOUTH

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2014

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

Honorable Mayor and Members
of the Borough Council
Borough of Union Beach
County of Monmouth
Union Beach, New Jersey 07735

We have audited the consolidated financial statements of the Borough of Union Beach (the "Borough"), as of and for the year ended December 31, 2014, and have issued our report thereon dated June 22, 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 22, 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 22, 2015

BOROUGH OF UNION BEACH

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 therefor, 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 to the bid threshold to \$26,000.00 and \$36,000.00 if there is a certified purchasing agent. Effective January 1, 2011 if there was 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.

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.

A test of quotes for purchases in excess of \$5,400.00 or \$3,900.00 was made with no exceptions noted.

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

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 April 10, 1980, adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Union Beach that the RATE OF INTEREST to be CHARGED for the Non-Payment of Taxes or Assessments shall be EIGHT (8) PERCENT (%), per Annum on the first \$1,500.00 of delinquency and EIGHTEEN (18) PERCENT (%), per Annum on any amount in excess of \$1,500.00, to be calculated from the date the taxes are payable until the date of actual payment: and

BE IT FURTHER RESOLVED, the pursuant the N.J.S.A. 54:5-32 the maximum interest rate required for redemption of the Tax Sale Certificates shall be EIGHTEEN (18) PERCENT (%), per Annum; and

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 54:5-34, the rate of interest for those Tax Sale Certificates for which there shall be no other purchaser and which are therefore struck off to the Borough of Union Beach, shall be 18% per Annum.

It is noted that a ten-day "grace period" is allowed in accordance with the provisions of the 1980 resolution.

On March 20, 1997 the governing body adopted a resolution authorizing the tax collector to charge 6% year end penalty on all properties with a delinquency in excess of \$10,000.00.

Delinquent Taxes and Tax Title Liens

A tax sale was held on March 7, 2014 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2014	1
2013	0
2012	0

Foreclosed Property

The foreclosed property is the total from exempt property, so marked, appearing in the tax duplicate.

Follow-Up on Prior Year Findings

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

All prior year findings were corrected.

RECOMMENDATIONS

None

Appreciation

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

* * * * *

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