

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
AUDIT REPORT FOR THE YEAR
ENDED, DECEMBER 31, 2014**

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN**

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**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN**

PART I

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



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the
Borough Council
Point Pleasant Borough
Point Pleasant, New Jersey 08742

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As discussed in Note 1 to the financial statements, the Borough of Point Pleasant prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 27.58% and 30.80% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2014 and 2013.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Point Pleasant, County of Ocean, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grant, State Grants and State Aid* respectively, and is also not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2015, on our consideration of the Borough of Point Pleasant's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Point Pleasant's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

Medford, New Jersey
June 27, 2015

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

The Honorable Mayor and Members of the
Borough Council
Point Pleasant Borough
Point Pleasant, New Jersey 08742

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Borough of Point Pleasant (herein referred to as “the Borough”), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated June 27, 2015. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. Further, our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. The LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the year ended December 31, 2014. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough’s financial statements will not be prevented, or detected and corrected on a timely basis.

We consider the deficiencies described in the accompanying Comments & Recommendations to be material weaknesses as Finding No.'s 2014-001, 2014-002, 2014-003, and 2014-004.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

Medford, New Jersey
June 27, 2015

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF POINT PLEASANT
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 15,006,814	\$ 21,974,198
Change Fund	A	550	550
Petty Cash Funds	A	691	469
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A	26,358	29,807
Total Regular Fund		<u>15,034,413</u>	<u>22,005,024</u>
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-5	1,404,053	1,892,345
Tax Title Liens Receivable	A-6	19,657	19,260
Revenue Accounts Receivable	A-7	14,303	12,919
Due From Interfunds:			
State & Federal Grant Fund	A-12	90,924	29,269
Total Receivables & Other Assets With Full Reserves		<u>1,528,937</u>	<u>1,953,793</u>
Deferred Charges:			
Community Disaster Loan Program	A	3,820,000	1,910,000
Special Emergency Authorizations	A-14	464,509	770,883
Total Deferred Charges		<u>4,284,509</u>	<u>2,680,883</u>
Total Regular Fund, Receivables, Other Assets With Full Reserves & Deferred Charges		<u>20,847,859</u>	<u>26,639,700</u>
State & Federal Grants:			
Cash	A-4	1,185	1,896
Grants Receivable	A-15	413,496	222,086
Total State & Federal Grants		<u>414,681</u>	<u>223,982</u>
Total Assets		<u>\$ 21,262,540</u>	<u>\$ 26,863,682</u>

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2014	2013
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-8	\$ 409,829	\$ 485,282
Reserve for Encumbrances	A-3,A-4,A-8	765,998	252,988
Accounts Payable	A	79,382	54,641
Tax Overpayments	A-4,A-5	82,470	13,862
Prepaid Taxes	A-4,A-5	518,942	524,541
County Tax Payable	A-10	28,846	15,515
Community Disaster Loan Payable	A	3,820,000	1,910,000
Tax Anticipation Note Payable	A	-	10,000,000
Local District School Tax Payable	A-9	9,538,823	8,773,471
Special Emergency Note Payable	A-13	464,509	770,883
Miscellaneous Reserves:			
Reserve For Superstorm Sandy	A-11	-	206,750
Sale of Municipal Assets	A-11	6,001	6,001
Due to State of NJ - Marriage License Fees	A-11	625	880
Due to State of NJ - DCA Training Fees	A-11	8,086	-
Due To Interfunds:			
Trust Other Fund	A-12	-	47,154
Subtotal		<u>15,723,511</u>	<u>23,061,968</u>
Reserve for Receivables & Other Assets	A	1,528,937	1,953,793
Fund Balance	A-1	<u>3,595,411</u>	<u>1,623,939</u>
Total Regular Fund		<u>20,847,859</u>	<u>26,639,700</u>
State & Federal Grants:			
Reserve for Grants Appropriated	A-16	302,830	117,341
Reserve for Grants Unappropriated	A-17	10,778	47,895
Reserve for Encumbrances	A-16	10,149	29,476
Due Current Fund	A	<u>90,924</u>	<u>29,269</u>
Total State & Federal Grants		<u>414,681</u>	<u>223,981</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 21,262,540</u>	<u>\$ 26,863,681</u>

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

BOROUGH OF POINT PLEASANT
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 100,000	\$ -
Miscellaneous Revenue Anticipated	4,931,971	4,723,218
Receipts From Delinquent Taxes & Tax Title Liens	1,862,840	1,364,563
Receipts From Current Taxes	58,642,131	55,828,445
Nonbudget Revenue	656,078	227,972
Other Credits to Income:		
Interfunds Liquidated	-	179,045
Recreation Improvement Reserve Closed	-	68,851
Closing of Reserve Balances	-	10,244
Cancellation of Accounts Payable	113	-
Unexpended Balance of Appropriation Reserves	229,905	603,194
	66,423,038	63,005,532
Total		
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	6,585,492	6,580,982
Other Expenses	5,814,039	5,472,126
Deferred Charges & Statutory Expenditures	1,515,184	1,558,968
Excluded From "CAPS":		
Operations:		
Other Expenses	533,045	712,193
Capital Improvements	110,000	100,000
Municipal Debt Service	2,912,190	2,864,771
Deferred Charges	306,374	306,553
County Taxes	13,215,777	12,738,543
Due County for Added & Omitted Taxes	28,846	15,515
Local District School Tax	33,175,062	31,644,355
Municipal Open Space Tax	65,142	65,080
Interfunds Advanced	90,415	-
	64,351,566	62,059,086
Total Expenditures		
Excess/Deficit in Revenue	2,071,472	946,446
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	-
	2,071,472	946,446
Statutory Excess to Fund Balance	2,071,472	946,446
Fund Balance January 1	1,623,939	677,493
	3,695,411	1,623,939
Total		
Decreased by: Utilization as Anticipated Revenue	100,000	-
	3,595,411	1,623,939
Fund Balance December 31	\$ 3,595,411	\$ 1,623,939

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 100,000	\$ -	\$ 100,000	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	13,000	-	13,512	512
Fees & Permits:				
Uniform Construction Code Fees	300,000	-	475,719	175,719
Other	35,000	-	41,364	6,364
Fines & Costs:				
Municipal Court	130,000	-	168,082	38,082
Interest & Costs on Taxes	250,000	-	357,860	107,860
Interest on Investments & Deposits	5,000	-	21,578	16,578
Energy Receipts Tax	1,196,320	-	1,202,493	6,173
Consolidated Municipal Property				
Tax Relief Act	31,256	-	25,083	(6,173)
Community Disaster Loan Program	2,140,055	-	2,140,055	-
FEMA Reimbursement	206,750	-	206,750	-
Clean Communities Program	-	34,986	34,986	-
Cops In Shops	-	2,400	2,400	-
Alcohol Education & Rehabilitation Fund	950	-	950	-
2013 NJ DOT Municipal Aid	200,000	-	200,000	-
Recycling Tonnage Grant	34,244	-	34,244	-
Body Armor Replacement Fund	3,696	3,199	6,895	-
Total Miscellaneous Revenues	4,546,271	40,585	4,931,971	345,115
Receipts From Delinquent Taxes	1,900,000	-	1,862,840	(37,160)
Subtotal General Revenues	6,546,271	40,585	6,894,811	307,955
Local Tax for Municipal Purposes	13,613,087	-	14,567,913	954,826
Budget Totals	20,159,358	40,585	21,462,724	1,262,781
Nonbudget Revenues	-	-	656,078	656,078
Total	\$ 20,159,358	\$ 40,585	\$ 22,118,802	\$ 1,918,859

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 58,642,131
Less: Allocated for School, County Taxes & Open Space Taxes	<u>46,484,827</u>
Total Allocation of Current Tax Collections	12,157,304
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>2,410,609</u>
Total Amount for Support of Municipal Budget Appropriation	<u>\$ 14,567,913</u>
Delinquent Property Taxes Receivable	<u>1,862,840</u>
Total Receipts From Delinquent Taxes	<u>\$ 1,862,840</u>
Fees & Permits:	
Zoning Board Permits	\$ 11,080
Planning Board Permits	3,350
Board of Health Permits	<u>26,934</u>
Total Fees & Permits	<u>\$ 41,364</u>

ANALYSIS OF NONBUDGET REVENUES

Recycling	\$ 22,586
Cell Tower Rental	394,248
Cable TV Fees	74,941
Grading and Drainage	32,100
Refund of Prior Year Expenditures	105,805
Miscellaneous Other	<u>26,398</u>
Nonbudget Revenue	<u>\$ 656,078</u>

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
General Government Functions:						
General Administration:						
Salaries and Wages	\$ 27,396	\$ 27,396	\$ 26,289	\$ -	\$ 1,107	\$ -
Other Expenses	143,500	153,500	97,842	34,466	21,192	-
Mayor & Council:						
Salaries and Wages	14,040	14,040	12,120	-	1,920	-
Municipal Clerk:						
Salaries and Wages	177,999	180,399	179,740	-	659	-
Other Expenses	13,350	14,050	13,253	713	84	-
Financial Administration (Treasury):						
Salaries and Wages	76,398	76,398	72,980	-	3,418	-
Other Expenses	8,500	8,500	2,527	2,593	3,380	-
Audit Services:						
Annual Audit	55,000	55,000	6,450	48,550	-	-
Revenue Administration (Tax Collector):						
Salaries and Wages	80,296	75,296	69,902	-	5,394	-
Other Expenses	14,650	14,650	4,690	3,912	6,048	-
Tax Assessor:						
Salaries and Wages	148,543	152,543	151,781	-	762	-
Other Expenses	7,338	7,338	2,060	3,926	1,352	-
Legal Services:						
Other Expenses	155,000	167,000	151,034	5,466	10,500	-
Engineering Services & Costs:						
Other Expenses	135,000	130,000	84,230	-	45,770	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	8,500	8,500	8,500	-	-	-
Other Expenses	39,460	15,060	12,390	988	1,682	-
Zoning Board of Adjustment:						
Salaries and Wages	8,500	8,500	8,500	-	-	-
Other Expenses	4,200	4,200	1,801	1,103	1,296	-
Zoning Officer:						
Salaries and Wages	82,500	86,500	86,002	-	498	-
Other Expenses	1,000	1,000	637	333	30	-
Insurance:						
Unemployment Insurance	60,000	60,000	60,000	-	-	-
Liability Insurance	186,358	183,358	182,283	-	1,075	-
Workers' Compensation Insurance	212,900	212,900	212,811	-	89	-
Employee Group Insurance	1,735,530	1,644,230	1,614,380	-	29,850	-
Group Health Waivers	8,500	9,500	5,887	-	3,613	-
Public Safety Functions:						
Police:						
Salaries and Wages	3,964,018	4,074,018	4,065,695	-	8,323	-
Other Expenses	256,558	291,558	225,198	63,125	3,235	-
Emergency Management Services:						
Salaries and Wages	3,350	3,550	3,500	-	50	-
Other Expenses	6,950	6,950	693	1,743	4,514	-
Aid to Volunteer Fire Companies:						
Other Expenses:						
Fire Station No. 75	156,985	156,985	40,000	116,000	985	-
Aid to Volunteer Ambulance Companies:						
Other Expenses	90,000	90,000	90,000	-	-	-
Public Works Functions:						
Road Repairs & Maintenance:						
Salaries and Wages	1,132,641	1,122,641	1,110,981	-	11,660	-
Other Expenses	159,400	159,400	127,799	27,334	4,267	-

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
Other Public Works Functions:						
Recycling:						
Salaries and Wages	5,500	5,500	4,327	-	1,173	-
Other Expenses	228,000	228,000	208,081	19,915	4	-
Solid Waste Collection:						
Contractual	540,000	540,000	491,167	48,833	-	-
Building & Grounds:						
Other Expenses	29,100	29,100	21,992	5,438	1,670	-
Community Services Act:						
Other Expenses	110,000	137,000	110,562	25,412	1,026	-
Health & Human Services:						
Board of Health:						
Salaries and Wages	61,800	61,800	61,740	-	60	-
Other Expenses	2,145	2,145	1,759	-	386	-
Environmental Commission:						
Salaries and Wages	1,200	1,200	1,200	-	-	-
Other Expenses	1,170	1,170	515	561	94	-
Animal Control Program:						
Other Expenses	29,000	30,600	26,949	-	3,651	-
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	257,760	249,760	249,760	-	-	-
Other Expenses	10,795	10,795	6,526	1,005	3,264	-
Utility Expense & Bulk Purchases:						
Electricity	105,000	93,000	76,053	13,196	3,751	-
Street Lighting	145,000	140,000	95,312	41,810	2,878	-
Telephone	40,000	38,000	30,850	4,140	3,010	-
Gasoline	150,000	150,000	57,350	36,127	56,523	-
Natural Gas	18,000	18,000	10,053	4,148	3,799	-
Landfill/Solid Waste Disposal Costs:						
Landfill Dumping Fees	650,000	650,000	521,440	128,560	-	-
Municipal Court:						
Salaries and Wages	28,543	28,543	28,543	-	-	-
Other Expenses	8,000	8,000	951	-	7,049	-
Public Defender:						
Other Expenses	8,000	8,000	3,700	-	4,300	-
State Uniform Construction Code:						
Construction Code Official:						
Salaries and Wages	408,908	408,908	386,249	-	22,659	-
Other Expenses	8,050	6,050	4,354	879	817	-
Other Common Operating Functions:						
Salary Adjustments	8,000	-	-	-	-	-
Sick Pay Payouts	370,000	338,000	337,168	-	832	-
Prior Year Bills:						
Solid Wast Contractual	-	-	-	-	-	-
Landfill	-	-	-	-	-	-
Contingent	1,000	1,000	-	-	1,000	-
<hr/>						
Total Operations Within "CAPS"						
Including Contingent	12,399,331	12,399,531	11,468,556	640,276	290,699	-
<hr/>						
Detail:						
Salaries and Wages	6,487,892	6,585,492	6,527,809	-	57,683	-
Other Expenses	5,911,439	5,814,039	4,940,747	640,276	233,016	-
<hr/>						
Deferred Charges & Statutory Expenditures						
Municipal Within "CAPS":						
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	530,000	529,800	491,528	-	38,272	-

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
Public Employees' Retirement System	243,048	243,048	243,048	-	-	-
Police & Firemen's Retirement System	740,336	740,336	719,293	-	21,043	-
Defined Contribution Retirement Program	2,000	2,000	1,655	-	345	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	1,515,384	1,515,184	1,455,524	-	59,660	-
Total General Appropriations for Municipal Purposes Within "CAPS"	13,914,715	13,914,715	12,924,080	640,276	350,359	-
Operations Excluded From "CAPS":						
LOSAP	95,000	95,000	-	95,000	-	-
Shared Services Agreement:						
Municipal Court - Borough of Point Pleasant Beach	90,000	90,000	68,378	21,622	-	-
Construction Code Official - Borough of Point Pleasant Beach Other Expenses	10,000	10,000	-	-	10,000	-
Insurance:						
Employee Group Health Insurance	39,470	39,470	-	-	39,470	-
Tax Office, Barnegat Light	9,100	9,100	-	9,100	-	-
Public & Private Programs Offset by Revenues:						
Matching Fund for Grants	10,000	10,000	-	-	10,000	-
Clean Communities Program	-	34,986	34,986	-	-	-
Alcohol Education & Rehabilitation Fund	950	950	950	-	-	-
Cops In Shops	-	2,400	2,400	-	-	-
Recycling Tonnage Grant	34,244	34,244	34,244	-	-	-
Body Armor Replacement Fund	3,696	6,895	6,895	-	-	-
2013 NJDOT Municipal Aid	200,000	200,000	200,000	-	-	-
Total Operations Excluded from "CAPS"	492,460	533,045	347,853	125,722	59,470	-
Detail:						
Other Expenses	492,460	533,045	347,853	125,722	59,470	-
Capital Improvements-Excluded from "CAPS":						
Capital Improvement Fund	110,000	110,000	110,000	-	-	-
Total Capital Improvements Excluded From "CAPS"	110,000	110,000	110,000	-	-	-
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	2,310,000	2,310,000	2,310,000	-	-	-
Interest on Bonds	495,200	495,200	482,190	-	-	13,010
Interest on Notes	120,000	120,000	120,000	-	-	-
Total Municipal Debt Service Excluded From "CAPS"	2,925,200	2,925,200	2,912,190	-	-	13,010
Deferred Charges - Municipal - Excluded from "CAPS":						
Deferred Charge:						
Special Emergency Authorization	306,374	306,374	306,374	-	-	-

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
Total Deferred Charges - Municipal - Excluded from "CAPS":	306,374	306,374	306,374	-	-	-
Total General Appropriations for Municipal Purposes Excluded from CAPS	3,834,034	3,874,619	3,676,417	125,722	59,470	13,010
Subtotal General Appropriations	17,748,749	17,789,334	16,600,497	765,998	409,829	13,010
Reserve For Uncollected Taxes	2,410,609	2,410,609	2,410,609	-	-	-
Total General Appropriations	<u>\$ 20,159,358</u>	<u>\$ 20,199,943</u>	<u>\$ 19,011,106</u>	<u>\$ 765,998</u>	<u>\$ 409,829</u>	<u>\$ 13,010</u>

Adopted Budget	\$ 20,159,358
Chapter 159	<u>40,585</u>
Total	<u>\$ 20,199,943</u>

Interfunds:	
Federal & State Grant Fund	\$ 279,475
Reserve for Uncollected Taxes	2,410,609
Deferred Charges	306,374
Disbursements	<u>16,014,648</u>
Total	<u>\$ 19,011,106</u>

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**BOROUGH OF POINT PLEASANT
TRUST FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Animal Control Trust Fund:			
Cash	B-1	\$ 1,281	\$ 1,002
Change Fund	B	25	25
Total Animal Control Fund		<u>1,306</u>	<u>1,027</u>
Open Space Trust Fund:			
Cash	B-1	255,489	241,546
Total Open Space Trust		<u>255,489</u>	<u>241,546</u>
Other Trust Fund:			
Cash	B-1	2,173,557	1,615,783
Due from Current Fund	A	-	47,154
Total Other Trust		<u>2,173,557</u>	<u>1,662,937</u>
Length of Service Awards Program Fund: (LOSAP) ("LOSAP") - Unaudited Funds Held by Trustee	B-7	925,379	848,243
Total LOSAP		<u>925,379</u>	<u>848,243</u>
Total - All Funds		<u>\$ 3,355,731</u>	<u>\$ 2,753,753</u>
LIABILITIES & RESERVES			
Animal Control Trust Fund:			
Due to the State of NJ	B-2	\$ 2	\$ 1
Reserve for Expenditures	B-3	1,304	1,026
Total Dog License Fund		<u>1,306</u>	<u>1,027</u>
Open Space Trust Fund:			
Reserve for Open Space	B-4	255,489	241,546
Total Open Space Trust		<u>255,489</u>	<u>241,546</u>
Other Trust Fund:			
Due to Board of Education	B	2,321	2,321
Various Reserves	B-6	2,171,236	1,660,616
Total Other Trust		<u>2,173,557</u>	<u>1,662,937</u>
Length of Service Awards Program Fund: (LOSAP) ("LOSAP") - Unaudited Reserve for Length of Service Awards Program	B-8	925,379	848,243
Total LOSAP		<u>925,379</u>	<u>848,243</u>
Total - All Funds		<u>\$ 3,355,731</u>	<u>\$ 2,753,753</u>

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

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**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Cash	C-2	\$ 220,270	\$ 2,168,545
Deferred Charges to Future Taxation:			
Unfunded	C-5	9,058,609	7,289,194
Funded	C-4	13,049,621	15,389,330
Total		\$ 22,328,500	\$ 24,847,069
LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds	C-9	\$ 12,795,000	\$ 15,105,000
Green Acres Loan Payable	C-10	254,621	284,330
Bond Anticipation Notes Payable	C-7	4,680,000	4,680,000
Capital Improvement Fund	C-6	80,152	63,280
Improvement Authorizations:			
Unfunded	C-8	2,206,505	2,000,601
Funded	C-8	1,471,400	1,669,366
Reserve for Encumbrances	C-8	756,508	963,678
Reserve for Payment of Debt	C	18,604	18,604
Reserve for Bay Point Harbor	C	10,000	10,000
Reserve for Police Department	C	25,000	25,000
Fund Balance	C-1	30,710	27,210
Total		\$ 22,328,500	\$ 24,847,069

There were bonds and notes authorized but not issued on December 31, 2014 of \$4,378,609 and on December 31, 2013 was \$2,609,194.

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**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Operating Fund:			
Cash	D-5	\$ 1,271,984	\$ 1,022,314
Cash - Change Fund	D	300	300
Due From Utility Capital Fund	D	100,000	-
Total		<u>1,372,284</u>	<u>1,022,614</u>
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-7	686,512	1,007,684
Total Receivable & Other Assets With Full Reserves		<u>686,512</u>	<u>1,007,684</u>
Deferred Charges:			
Emergency Appropriation	D	122,500	-
Community Disaster Loan Program	D	652,147	351,463
Total Deferred Charges		<u>774,647</u>	<u>351,463</u>
Total Operating Fund		<u>2,833,443</u>	<u>2,381,761</u>
Capital Fund:			
Cash	D-5	44,642	1,415,553
Fixed Capital Authorized & Uncompleted	D-12	10,637,245	10,352,895
Fixed Capital	D-13	30,197,184	30,197,184
Total Capital Fund		<u>40,879,071</u>	<u>41,965,632</u>
Total Operating & Capital Fund		<u>\$ 43,712,514</u>	<u>\$ 44,347,393</u>

Bonds and Notes authorized but not issued as of December 31, 2014 was \$4,128,028 and as of December 31, 2013 was \$3,857,895.

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2014	2013
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4,D-9	247,715	\$ 256,799
Community Disaster Loan Payable	D	652,147	351,463
Accounts Payable	D	16,468	2,919
Reserve for Encumbrances	D-4,D-5	171,743	148,743
Consumer Overpayments	D	13,203	7,193
Prepaid Rents	D	5,534	-
Accrued Interest on Bonds & Notes	D-9	69,246	76,404
Subtotal		<u>1,176,056</u>	<u>843,521</u>
Reserve for Receivables	D	686,512	1,007,684
Fund Balance	D-1	<u>970,875</u>	<u>530,556</u>
Total Operating Fund		<u>2,833,443</u>	<u>2,381,761</u>
Capital Fund:			
Serial Bonds	D-17	4,365,000	5,050,000
Bond Anticipation Notes	D-18	1,360,000	1,360,000
Improvement Authorizations:			
Funded	D-16	1,133,022	1,780,580
Unfunded	D-16	1,113,493	3,073,091
Reserves for:			
Amortization	D-15	30,560,585	29,875,585
Deferred Amortization	D-14	420,816	406,599
Encumbrances	D-16	1,652,420	291,825
Capital Improvement Fund	D-11	155,967	110,184
Down Payment on Improvements	D	13,600	13,600
Due to Utility Operating Fund	D-10	100,000	-
Fund Balance	D-2	<u>4,168</u>	<u>4,168</u>
Total Capital Fund		<u>40,879,071</u>	<u>41,965,632</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 43,712,514</u>	<u>\$ 44,347,393</u>

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

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
Revenue & Other Income Realized:		
Fund Balance Appropriated	\$ -	\$ -
Consumer Accounts Receivable	6,240,513	6,091,268
Interest on Delinquents	47,245	42,954
Miscellaneous	68,179	81,726
Community Disaster Loan Program	300,684	351,463
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	254,382	275,283
 Total Income	 6,911,003	 6,842,694
 Expenditures:		
Operating	5,342,254	5,043,448
Capital Improvements	60,000	60,000
Debt Service	885,930	857,000
Deferred Charges & Statutory Expenditures	305,000	547,357
 Total Expenditures	 6,593,184	 6,507,805
 Excess/Deficit in Revenue	 317,819	 334,889
 Adjustments to Income before Fund Balance:		
Emergency Authorization	122,500	-
 Subtotal	 440,319	 334,889
 Fund Balance January 1	 530,556	 195,667
Less: Balance Appropriated	-	-
 Fund Balance December 31	 \$ 970,875	 \$ 530,556

**STATEMENT OF CAPITAL SURPLUS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 4,168
Increased by:	
Premium on BAN's	-
Balance December 31, 2014	\$ 4,168

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

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ -	\$ -	
Rents	6,050,000	6,240,513	\$ 190,513
Interest on Delinquent Accounts	40,000	47,245	7,245
Miscellaneous	80,000	68,179	(11,821)
Community Disaster Loan Program	300,684	300,684	-
	<hr/>		
Total	\$ 6,470,684	\$ 6,656,621	\$ 185,937
	<hr/>		
Miscellaneous			
Tap Fees			\$ 3,695
On/Off Charges			1,400
Readings/Test			9,716
Other			14,758
Meter Sale & Repairs			15,900
Connection Fees			4,800
Road Openings			15,100
Interest on Investments			2,810
			<hr/>
Total Miscellaneous			\$ 68,179
			<hr/>

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

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
Operating:					
Salaries and Wages	\$ 1,262,244	\$ 1,262,244	\$ 1,180,811	\$ 81,433	\$ -
Other Expenses	1,898,510	1,996,010	1,868,115	127,895	-
Ocean County Utilities Authority	2,084,000	2,084,000	2,053,966	30,034	-
Debt Service:					
Payment of Bond Principal	660,000	685,000	685,000	-	-
Interest on Bonds	179,680	179,680	179,680	-	-
Interest on Notes	21,250	21,250	21,250	-	-
Capital Improvements:					
Downpayment on Improvements	60,000	60,000	60,000	-	-
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	200,000	200,000	194,695	5,305	-
Social Security System (O.A.S.I)	90,000	90,000	86,952	3,048	-
Unemployment Compensation Insurance	15,000	15,000	15,000	-	-
Total Expenditures	\$ 6,470,684	\$ 6,593,184	\$ 6,345,469	\$ 247,715	\$ -
Adopted Budget		\$ 6,470,684			
Budget Emergency		122,500			
Total		<u>6,593,184</u>			
Cash Disbursements			\$ 6,133,161		
Encumbrances Payable			171,743		
Accrued Interest			<u>40,565</u>		
Total			<u>\$ 6,345,469</u>		

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

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**BOROUGH OF POINT PLEASANT
COMPARATIVE GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF GENERAL FIXED ASSETS
DECEMBER 31, 2014 AND 2013**

ASSETS	<u>2014</u>	<u>2013</u>
Land	\$ 22,840,500	\$ 22,840,500
Buildings & Improvements	5,350,400	5,350,400
Equipment & Machinery	2,512,814	2,430,050
Vehicles	<u>6,775,563</u>	<u>5,987,675</u>
Total	<u>\$ 37,479,277</u>	<u>\$ 36,608,625</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 37,479,277</u>	<u>\$ 36,608,625</u>

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

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**BOROUGH OF POINT PLEASANT
PAYROLL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	<u>2014</u>	<u>2013</u>
Cash - Treasurer	F-1	\$ 132,215	\$ 114,799
Total		<u>\$ 132,215</u>	<u>\$ 114,799</u>
LIABILITIES			
Payroll Taxes Payable	F-2	\$ 58,307	\$ 11,071
Payroll Reserve		<u>73,908</u>	<u>103,728</u>
Total		<u>\$ 132,215</u>	<u>\$ 114,799</u>

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

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**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN**

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

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**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

Component Units

The Borough of Point Pleasant had no component units as defined by Governmental Accounting Standards Board Statement No.14.

Basis of Accounting, Measurement Focus and Basis of Presentation

The financial statements of the Borough of Point Pleasant contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

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

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Trust Fund - used to account for the financing of local improvements deemed to benefit the properties against which assessments are levied.

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

Water/Sewer Utility Operating and Capital Funds - are used to account for water/sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the water/sewer utility to the general public be financed through user fees. Operations relating to the acquisition of water/sewer capital facilities are recorded within the Water/Sewer Utility Capital Fund.

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

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued):

Payroll Fund - is used to account for the payroll activity of all the funds and the disbursements of payroll with holdings to the various cognizant agencies.

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current and water/sewer utility funds in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the Borough. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40AA-9*. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued):

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories 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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balances - Fund balances included in the current fund and water/sewer utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Ocean and the Point Pleasant Borough School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Point Pleasant Borough School District. Operations are charged for the full amount required to be raised from taxation to operate the regional high school district the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2013 and decreased by the amount deferred at December 31, 2014.

County Taxes - The Borough is responsible for levying, collecting, and remitting county taxes for the County of Ocean. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by May 5th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued):

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid; however, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with *N.J.A.C.5:30-5.2*. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis

Subsequent Events - The Borough of Point Pleasant has evaluated subsequent events occurring after December 31, 2014 through the date of June 27, 2015, which is the date the financial statements were available to be issued.

Volunteer Length of Service Award Plan - The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer First Aid Squad members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of Service Award Plan under Section 457(e)11 of the Internal Revenue Code".

The LOSAP Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements.

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

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 2. Cash

The Township is governed by the deposit limitations of New Jersey state law. The Deposits held at December 31, 2014, and reported at fair value are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand Deposits	\$ 19,107,437
Total Deposits	<u>\$ 19,107,437</u>

Reconciliation of Statement of Comparative Assets, Liabilities, Reserves and Fund Balance:

Current Fund	\$ 15,006,814
State & Federal Grant Fund	1,185
Animal Control Trust	1,281
Open Space Trust	255,489
Trust - Other	2,173,557
General Capital Fund	220,270
Utility Operating Fund	1,271,984
Utility Capital Fund	44,642
Payroll	<u>132,215</u>
Total	<u>\$ 19,107,437</u>

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

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2014, the Township’s bank balance of \$18,975,945 was exposed to custodial credit risk as follows:

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 2. Cash and Cash Equivalents (continued):

Insured	\$	267,995
Uninsured and uncollateralized		2,871,420
Collateralized in the Authority's Name		
Under GUDPA (See Note 4)		15,836,530
 Total	 \$	 18,975,945

Note 3. Investments:

Custodial Credit Risk

For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. All of the Authority's investments are held in the name of the Authority and are collateralized by GUDPA.

Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2014, are provided in the above schedule.

Investment Credit Risk

The Authority has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or 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 obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Authority or bonds or other obligations of the local unit or units within which the Authority is located;

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 3. Investments (continued):

- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Authority;
- Local Government investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
-
- Agreements for the repurchase of fully collateralized securities.

As of December 31, 2014, the Authority had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Total Reported Value</u>
LOSAP	\$ 925,379	925,379	<u>\$ 925,379</u>
Total			<u><u>\$ 925,379</u></u>

Note: 4: Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information

	2014	2013	2012
Total Tax Rate	<u>\$1.871</u>	<u>\$1.801</u>	<u>\$1.757</u>
Apportionment of Tax Rate:			
Municipal	0.424	0.418	0.405
Municipal Open Space	0.002	0.002	0.001
County	0.412	0.397	0.391
Local School	1.033	0.984	0.960

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 4: Property Taxes (continued):

Net Valuation Taxable:

2014	\$ 3,211,392,070	
2013		\$ 3,214,974,138
2012		\$ 3,250,129,138

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2014	\$ 60,236,252	\$ 58,642,131	97.35%
2013	57,972,061	55,828,445	96.30%
2012	57,901,688	55,828,445	96.42%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2014	\$ 19,657	\$ 1,404,053	\$ 1,423,710	2.36%
2013	19,260	1,892,345	1,911,605	3.30%
2012	17,633	1,459,464	1,477,097	2.55%

Note 5. Water/Sewer Utility Service Charges

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

WATER/SEWER UTILITY

YEAR ENDED DECEMBER 31	BEGINNING RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2014	\$ 1,007,684.00	\$ 5,791,177.00	\$ 6,798,861.00	\$ 6,112,349.00	89.90%
2013	1,024,210.00	6,084,490.00	7,108,700.00	6,091,268.00	85.69%
2012	1,238,339.00	5,839,103.00	7,077,442.00	6,044,742.00	85.41%

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 6. Interfund Balances

Balances due to/from other funds at December 31, 2014 consist of the following:

	Due From	Due To
Current Fund	\$ 90,924	\$ -
Grant Fund	-	90,924
Utility Operating Fund	100,000	-
Utility Capital Fund	-	100,000
	\$ 190,924	\$ 190,924

The purpose of these interfunds is short-term borrowings.

Note 7. Debt

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

A. Long-Term Debt

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

	December 31, 2013	Accrued/ Increases	Retired/ Decreases	December 31, 2014	Due Within One Year
General Serial Bonds	\$ 15,105,000	\$ -	\$ (2,310,000)	\$ 12,795,000	\$ 1,870,000
Bond Anticipation Notes	4,680,000	4,680,000	(4,680,000)	4,680,000	4,680,000
Green Acres Loan Payable	284,330	-	(29,709)	254,621	30,307
Authorized but Not Issued	2,609,194	1,769,415	-	4,378,609	-
Total	\$ 22,678,524	\$ 6,449,415	\$ (7,019,709)	\$ 22,108,230	\$ 6,580,307

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 7. Debt

A. Long Term Debt (continued):

General Capital Fund

Bonds Payable:

In December 2003, the Borough issued \$9,270,000 general obligation bonds for general improvements. The annual maturities range from \$850,000 to \$1,200,000 through 2015, interest rates ranging from 3.500% to 3.750% 1,020,000

In July 2010, the Borough issued \$14,890,000 general obligation bonds for general improvements. The annual maturities range from \$765,000 to \$1,480,000 through 2024, interest rates ranging from 2.000% to 4.000% 11,775,000

Total \$12,795,000

Loans Payable:

On November 20, 2000, the Borough received a \$148,836 loan under the Green Trust Loan Program for River and Maxon Avenue Beach Development. The loan is due in semi-annual installments ranging from \$3,689 to \$4,582 through 2020, interest rate at 2.00% \$ 52,083

On October 24, 2000, the Borough received a \$305,000 loan under the Green Trust Loan Program for McKenna Lake. The loan is due in semi-annual installments ranging from \$7,928 to \$9,389 through 2020, interest rate at 2.00% 106,730

On November 1, 2010, the Borough received a \$113,000 loan under the Green Trust Loan Program for Riverfront Park. The loan is due in semi-annual installments ranging from \$2,407 to \$3,479 through 2030, interest rate at 2.00% 95,808

Total \$ 254,621

Water-Sewer Utility Capital Fund

	December 31, 2013	Accrued/ Increases	Retired/ Decreases	December 31, 2014	Due Within One Year
Serial Bonds	\$ 5,050,000	\$ -	\$ (685,000)	\$ 4,365,000	\$ 380,000
Bond Anticipation Notes	1,360,000	1,360,000	(1,360,000)	1,360,000	1,360,000
Authorized but Not Issued	3,857,895	270,133	-	4,128,028	-
Total	<u>\$ 10,267,895</u>	<u>\$ 1,630,133</u>	<u>\$ (2,045,000)</u>	<u>\$ 9,853,028</u>	<u>\$ 1,740,000</u>

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 7. Debt (continued):

A. Long Term Debt (continued):

Bonds Payable:

In September 1998, the Borough issued \$2,225,000 general obligation bonds for utility improvements. The annual maturities are \$170,000 through 2015, interest ranging from 4.400% to 4.500% \$ 170,000

In July 2010, the Borough issued \$4,980,000 general obligation bonds for utility improvements. The annual maturities range from \$190,000 to \$380,000 through 2029, interest rates ranging from 2.000% to 4.000% 4,195,000

Total \$ 4,365,000

Aggregate debt service requirements during the next five fiscal years and thereafter for the General Capital Fund are as follows:

Calendar Year	General Capital Debt				
	Bonded Debt		Greent Trust Loan		Total
	Principal	Interest	Principal	Interest	
2015	\$ 1,870,000	\$ 420,462	\$ 30,306	\$ 4,942	\$ 2,325,710
2016	900,000	365,213	30,915	4,333	1,300,461
2017	960,000	338,213	31,537	3,711	1,333,461
2018	1,025,000	309,413	32,170	3,077	1,369,660
2019	1,100,000	276,100	32,817	2,431	1,411,348
2020-2024	6,940,000	771,000	57,334	6,020	7,774,354
2025-2029	-	-	32,620	2,513	35,133
2030	-	-	6,922	104	7,026
	<u>\$ 12,795,000</u>	<u>\$ 2,480,401</u>	<u>\$ 254,621</u>	<u>\$ 27,131</u>	<u>\$ 15,557,153</u>

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 7. Debt (continued):

A. Long-Term Debt (continued)

Aggregate debt service requirements during the next five fiscal years and thereafter for the Utility Capital Fund are as follows:

Calender Year	Utility Capital Debt		
	Principal	Interest	Total
2015	\$ 380,000	\$ 156,313	\$ 536,313
2016	215,000	144,463	359,463
2017	220,000	138,013	358,013
2018	230,000	131,413	361,413
2019	235,000	123,938	358,938
2020-2024	1,335,000	497,925	1,832,925
2025-2029	1,750,000	217,200	1,967,200
	<u>\$ 4,365,000</u>	<u>\$ 1,409,265</u>	<u>\$ 5,774,265</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.674%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 22,298,000	\$ 22,298,000	\$ -
Water & Sewer Utility	9,853,028	9,853,028	-
General Debt	22,108,231	18,604	22,089,627
	<u>\$ 54,259,259</u>	<u>\$ 32,169,632</u>	<u>\$ 22,089,627</u>

Net Debt, \$22,089,627 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$3,279,342,584 equals .674%.

B. Short-Term Debt

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuing 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 Borough issued a BAN for \$6,040,000.00 on September 22, 2014 with an interest rate of .96% with a maturity date of September 21, 2015. The Capital Fund takes \$4,680,000 and the Utility Fund Capital \$1,360,000 in the BAN.

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 7. Debt (continued):

B. Short-Term Debt (continued)

Special Emergency Notes (40A:4-55)

The Borough issues special emergency notes to fund special emergency appropriations prior to the funds being raised in the budget. The term of the notes cannot exceed one year but the notes may be renewed from time to time, but at least 1/5 of all such notes, and the renewals thereof, shall mature and be paid not later than the last day of the fifth year following the date of emergency resolution.

On December 31, 2014, the Borough had \$464,509 outstanding in Current Fund special emergency notes. The notes were issued on December 21, 2014 and mature on December 19, 2015 at an interest rate of 1.25%.

Changes in Special Emergency Notes for the Current Fund for the year ended December 31, 2014 are summarized as follows:

Purpose	Balance Dec 31, 2013	Additions	Deductions	Balance Dec 31, 2014
Severance Liabilities	\$ 298,871	\$ -	\$ 99,624	\$ 199,247
Superstorm Sandy	472,012	-	206,750	265,262
Total	\$ 770,883	\$ -	\$ 306,374	\$ 464,509

Tax Anticipation Notes of \$10,000,000.00 were issued on August 27, 2013 were repaid on January 15, 2014 with an interest rate of 1.00%

C. Bonds and Notes Authorized But Not Issued

On December 31, 2014, the Borough had authorized but not issued bonds and notes as follows:

General Capital	\$4,378,610
Water/Sewer Capital	4,128,028

Note 8. Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation, as calculated by the Borough, would approximate \$1,419,589 at December 31, 2014 in accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying statements.

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 9. Fund Balances Appropriated

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

Year	Balance December 31	Utilized in Budget of Succeeding Year	Percentage of Balance
<u>Current Fund</u>			
2014	\$ 3,595,411.00	*	
2013	\$ 1,623,939.00	\$ 100,000.00	6%
2012	\$ 677,493.00	-	0%
<u>Water/Sewer Fund</u>			
2014	\$ 970,875.00	*	
2013	\$ 530,556.00	\$ 122,500.00	23%
2012	\$ 195,667.00	-	0%

* 2015 Budget has not been adopted by date report issued

Note 10. Taxes Collected in Advance

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

Balance December 31,	2014	2013
Prepaid Taxes	<u>\$518,942</u>	<u>\$524,541</u>

Note 11. Assessments and Collection of Property Taxes

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

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 11. Assessments and Collection of Property Taxes (continued):

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

Note 12. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	Balance Dec 31, 2014	2015 Budget Appropriation
Current Fund:		
Community Disaster Loan Program	\$ 3,820,000	\$ -
Special Emergency Authorizations	\$ 464,509	\$ 306,374
Utility Operating Fund:		
Community Disaster Loan Program	\$ 652,147	\$ -
Emergency Appropriation	\$ 122,500	\$ 122,500

Note 13. Pension

A. Plan Description

The Borough of Point Pleasant contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of *N.J.S.A.43:15A* and the Public Fireman's Retirement System (P.F.R.S.) was established as of July 1, 1944 under the provisions of *N.J.S.A.43:16A*. Both plans were set up to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

A. Plan Description (continued):

The State of New Jersey P.F.R.S. program as established as of July 1, 1944. The program was established under the provisions of *N.J.S.A.43:16A*, which assigns authority to establish and amend, benefit provisions to the plans' board of trustees. P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625, or calling (609) 984-1684.

B. Vesting and Benefit Provisions

The vesting and benefit provisions of P.E.R.S. are set by *N.J.S.A.43:15A* and *43.3B*. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The P.E.R.S. provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Note 8C below.

C. Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by $\frac{1}{2}$ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for P.E.R.S. were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the P.F.R.S. and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

C. Significant Legislation (continued):

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in P.E.R.S. will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 P.E.R.S. members will be age 65 and 30 years of service. Tier 3 was added to

P.F.R.S. for enrollees after June 28, 2011. Tier 3 retirees will have a maximum retirement benefit of 65% of final compensation after 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a “target funded ratio”.

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

D. Contribution Requirements

The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. provide for employee contributions of 6.5%, effective October 1, 2011, of employees’ annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both P.F.R.S. and P.E.R.S. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums.

Plan members are required to contribute 10%, effective October 1, 2011, of their annual covered salary for P.F.R.S. and the Borough of Point Pleasant is required to contribute at an actuarially determined rate. The contribution requirements of plan members and are established and may be amended by the plan’s board of trustees. The Borough’s contributions to P.E.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$243,048, \$247,060, and \$286,600, respectively, equal to the required contributions for each year and to P.F.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$719,293, \$787,458, and \$800,653, respectively, equal to the required contributions for each year.

Note 14. Risk Management

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

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 15. Deferred Compensation

The Borough's Deferred Compensation Program is offered to all Borough employees. The program was created in accordance with Section 457 of the Internal Revenue Code. The plan permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not ordinarily available to employees until termination, retirement, death, or unforeseeable emergency.

All compensation deferred under the program and all income attributable to these amounts are (until paid or made available to the employee or other beneficiary) solely the property and right of the Borough. The program balances are recorded in the Trust Fund of the Borough.

Note 16. School Taxes

Local District School taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 provides that any municipality that levies school taxes on a school year basis may defer from the municipal purposes tax levy 50% of the levy. The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes.

At year end taxes due consisted of the following:

	Local District School Tax	
	Balance December 31, 2014	Balance December 31, 2013
Tax Payable	\$ 9,538,823	\$ 8,773,471
Deferred	<u>7,048,707</u>	<u>7,048,707</u>
Total Unpaid School Taxes	<u>\$16,587,530</u>	<u>\$15,822,178</u>

Note 17. Contingent Liabilities

State and Federal Financial Assistance

The Borough receives financial assistance from the State of New Jersey and the U. S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors.

As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2014, the Borough estimates that no material liabilities will result from such audits.

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 17. Contingent Liabilities (continued):

Pending Litigation

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

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

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

Note 18. Length of Service Award Program ("LOSAP") (unaudited):

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer First Aid Squad members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of Service Award Plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions – The annual contribution to be made by the Borough for each active volunteer member was \$1,516 per year of active emergency service.

Appropriations – Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget.

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

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

Determination as to Eligibility – Each emergency service organization shall provide to the Borough Administrator, acting as the Plan Administrator of the LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Borough Council for approval, in accordance with the provisions of *N.J.A.C.5:30-14.10*. The decision of the Borough Council as to such active member's eligibility shall be binding upon the Plan Administrator,

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 18. Length of Service Award Program (“LOSAP”) (unaudited) (continued):

participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

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

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

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

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

Note 19. Other Post Employment Benefits

The financial statements of the Borough are not prepared in accordance with Governmental Accounting Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description

In addition to the pension benefits described in Note 12, the Borough contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. was established in 1961 under *N.J.S.A.52:14-17.25 et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The S.H.B.P. was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the S.H.B.P. The Borough's defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. The Borough will cover the entire cost of post-retirement health benefits for the retirees and his/her dependents only when the employee has worked twenty-five (25) or

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 19. Other Post Employment Benefits (continued):

more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the Borough of Point Pleasant and remains in effect until the employee becomes Medicare eligible. The plan can be amended by the Borough subject to applicable collective bargaining and employment agreements.

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

Funding Policy

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

Contributions to pay for the health premiums of participating retirees in the S.H.B.P. are billed to the Borough on a monthly basis.

Note 20. Super Storm Sandy and the Community Disaster Loan

On October 29th of 2012, Super Storm Sandy made landfall on the New Jersey coast and caused significant damage to coastal towns including Point Pleasant Borough. The extensive damage caused the Township to issue a Special Emergency in their 2012 budget in the amount of \$1,033,750 in order to pay for all storm related costs.

During 2013, the Township submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$4,472,147 in relation to Hurricane Sandy losses and expenditures. The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed. The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses.

Note 21. Subsequent Event

On January 20, 2015 the Township adopted an ordinance appropriating \$122,500 for various capital improvements to water and sewer utility line on Arnold Avenue and authorizing the issuance of \$116,375 in general improvement bonds or notes to finance same.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>CURRENT</u>	<u>FEDERAL & STATE GRANT FUNDS</u>
Balance December 31, 2013	\$ 21,974,198	\$ 1,896
Increased by Receipts:		
Miscellaneous Reserves	\$ 8,086	
Taxes Receivable	59,856,601	
Prepaid Taxes	518,942	
Revenue Accounts Receivable	4,445,746	
Due From State of New Jersey - Senior Citizen & Veteran Deductions	212,647	
Nonbudget Revenue	656,078	
Interfunds		\$ 61,654
Unappropriated Grants		39,959
Federal & State Grants Receivable		10,990
	<u>65,698,100</u>	<u>112,603</u>
Subtotal		
Total	<u>87,672,298</u>	<u>114,499</u>
Decreased by Disbursements:		
2014 Appropriations	16,014,648	
2013 Reserved Appropriations	490,263	
Special Emergency Note Payable	306,374	
County Taxes	13,231,292	
Local District School Tax	32,409,710	
Miscellaneous Reserves	255	
Tax Anticipation Note Payable	10,000,000	
Interfunds	183,629	
Tax Overpayments	29,313	
Reserve for Federal & State Grant Funds - Appropriated		113,314
	<u>72,665,484</u>	<u>113,314</u>
Total Disbursements		
Balance December 31, 2014	<u>\$ 15,006,814</u>	<u>\$ 1,185</u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2014**

YEAR	BALANCE DECEMBER 31, 2013	2014 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	CANCELLED	TRANSFER TO TAX TITLE LIEN	BALANCE DECEMBER 31, 2014
				2013	2014				
2010	\$ -	\$ -	2,176	\$ -	2,176	\$ -	\$ -	\$ -	\$ -
2011	4,242	-	-	-	4,242	-	-	-	-
2012	59,770	-	-	-	55,433	-	-	79	4,258
2013	1,828,333	-	-	-	1,800,989	-	7,911	318	19,115
Total	1,892,345	-	2,176	-	1,862,840	-	7,911	397	23,373
2014	-	60,085,149	151,103	524,541	57,895,840	221,750	213,441	-	1,380,680
Total	\$ 1,892,345	\$ 60,085,149	\$ 153,279	\$ 524,541	\$ 59,758,680	\$ 221,750	\$ 221,352	\$ 397	\$ 1,404,053

Cash Receipts	\$ 59,856,601
Overpayments	<u>(97,921)</u>
Total	<u>\$ 59,758,680</u>

ANALYSIS OF 2013 PROPERTY TAX LEVY

General Purpose Tax	\$ 60,085,149	
Added & Omitted Taxes (54:4-6 et seq)	<u>151,103</u>	\$ 33,175,062
Total	<u>\$ 60,236,252</u>	
TAX LEVY:		
Local District School Tax		\$ 11,136,550
General County Tax		1,241,293
County Library Tax		391,490
County Open Space		446,444
County Health Tax		28,846
Due County for Added & Omitted Taxes		13,613,087
Local Tax for Municipal Purposes		65,142
Municipal Open Space		138,338
Add: Additional Taxes Levied		<u>13,816,567</u>
Total		<u>\$ 60,236,252</u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 19,260
Increased by:	
Transfers from Taxes Receivable	<u>397</u>
Balance December 31, 2014	<u><u>\$ 19,657</u></u>

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	ACCRUED IN 2014	REALIZED	BALANCE DECEMBER 31, 2014
Miscellaneous Revenue Anticipated:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 13,512	\$ 13,512	\$ -
Construction Code Fees	-	475,719	475,719	-
Fees and Permits - Other	-	41,364	41,364	-
Municipal Court	12,919	169,466	168,082	14,303
Interest on Investments & Deposits	-	21,578	21,578	-
Interest on Costs on Taxes	-	357,860	357,860	-
Energy Receipts Tax	-	1,202,493	1,202,493	-
Consolidated Municipal Property Tax Relief Aid	-	25,083	25,083	-
Community Disaster Loan Program	-	2,140,055	2,140,055	-
Total	<u>\$ 12,919</u>	<u>\$ 4,447,130</u>	<u>\$ 4,445,746</u>	<u>\$ 14,303</u>
Cash Receipts			<u>\$ 4,445,746</u>	
Total			<u><u>\$ 4,445,746</u></u>	

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATIONS WITHIN "CAPS":	ENCUMBRANCES	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
General Government Functions:					
General Administration:					
Salaries and Wages	\$ -	454 \$	454 \$	-	454
Other Expenses	20,512	12,506	28,018	20,505	7,513
Mayor and Council:					
Salaries and Wages	-	20	20	-	20
Municipal Clerk:					
Salaries and Wages	-	-	-	-	-
Other Expenses	472	992	1,464	474	990
Financial Administration (Treasury):					
Salaries and Wages	-	1,928	1,928	-	1,928
Other Expenses	1,683	2,308	3,991	1,669	2,322
Audit Services:					
Annual Audit	-	1,288	16,288	16,000	288
Revenue Administration (Tax Collector):					
Salaries and Wages	-	1,082	1,082	-	1,082.00
Other Expenses	-	939	939	-	939
Tax Assessor:					
Salaries and Wages	-	84	84	-	84
Other Expenses	3,908	104	4,012	3,921	91
Legal Services:					
Other Expenses	1,500	22,291	23,791	9,944	13,847.00
Engineering Services & Costs:					
Other Expenses	160	13,353	8,513	5,358	3,155
Land Use Administration:					
Planning Board:					
Salaries and Wages	-	104	104	-	104
Other Expenses	207	12,334	7,541	1,376	6,165
Zoning Board of Adjustment:					
Other Expenses	955	794	1,749	-	1,749
Zoning Officer:					
Salaries and Wages	-	2,063	2,063	-	2,063.00
Other Expenses	280	3	283	283	
Insurance:					
General Liability	-	277	277	-	277
Employee Group Health	706	30,867	13,083	706	12,377
Workers' Compensation Insurance	-	1	1	-	1
Group Health Waivers	-	1,396	3,096	3,091	5

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATIONS WITHIN "CAPS":	ENCUMBRANCES	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Public Safety Functions:					
Police:					
Salaries and Wages	-	33,205	33,205	17,844	15,361
Other Expenses	32,199	17,932	50,131	32,664	17,467
Office of Emergency Management					
Salaries and Wages	-	250	250	-	250
Other Expenses	315	1,849	2,164	315	1,849
Public Works Functions:					
Road Repairs & Maintenance:					
Salaries and Wages	-	3,865	3,865	3,865	-
Other Expenses	20,623	3,605	27,728	26,738	990
Other Public Works Functions					
Recycling:					
Salaries and Wages	-	5,580	5,580	-	5,580
Other Expenses	21,493	5,667	27,160	20,973	6,187
Solid Waste Collection:					
Contractual	40,833	26,709	82,542	81,667	875
Building & Grounds:					
Other Expenses	4,459	5,666	10,125	5,595	4,530
Community Services Act	-	7,579	7,579	7,579	-
Health & Human Services:					
Board of Health:					
Salaries and Wages	-	1,617	1,617	-	1,617
Other Expenses	49	370	419	84	335
Environmental Commission:					
Other Expenses	300	373	673	300	373
Animal Control Program:					
Other Expenses	3,250	3,452	6,702	3,250	3,452
Park & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	-	6,452	6,452	2,340	4,112
Other Expenses	1,887	681	3,068	3,010	58
Utility Expense & Bulk Purchases:					
Electricity	11,732	2,022	13,754	7,633	6,121
Street Lighting	16,864	-	16,864	9,868	6,996
Telephone	1,702	15,595	14,937	2,921	12,016
Gasoline	2,496	4,486	6,982	4,347	2,635
Gas	3,343	51	3,544	1,646	1,898

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	ENCUMBRANCES	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Landfill/Solid Waste Disposal Costs:					
Landfill Dumping Fees	42,738	52,356	95,094	90,200	4,894
Municipal Court:					
Salaries and Wages	-	91	91	-	91
Other Expenses	-	1,957	1,957	-	1,957
State Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	-	4,104	4,104	-	4,104
Other Expenses	220	6,329	6,549	1,713	4,836
Other Common Operating Functions:					
Sick Payouts	-	899	899	-	899
Salary Adjustments	-	17,000	17,000	-	17,000
Contingent	-	1,000	1,000	-	1,000
Deferred Charges & Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I)	-	8,872	8,872	-	8,872
Defined Contribution Retirement Program	-	257	257	-	257
Public Employees' Retirement System	-	445	445	-	445
Police and Fireman's Retirement System	-	2,542	2,542	-	2,542
Total General Appropriations for Municipal Purposes Within "CAPS"	234,886	348,046	582,932	387,879	195,053
Operations Excluded From "CAPS":					
Length of Service Awards Program	-	90,000	90,000	74,284	15,716
Shared Services Agreement:					
Municipal Court - Borough of Pt. Pleasant Beach	-	30,482	30,482	21,346	9,136
Uniform Construction Code-					
Borough of Pt. Pleasant Beach	-	6,754	6,754	6,754	-
Matching Funds for Grants	-	10,000	10,000	-	10,000
Total Operations Excluded from "CAPS"	-	137,236	137,236	102,384	34,852
Total	\$ 234,886	\$ 485,282	\$ 720,168	\$ 490,263	\$ 229,905

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013			
School Tax Payable	\$	8,773,471	
School Tax Deferred		<u>7,048,707</u>	\$ 15,822,178
Increased by:			
Calendar Year Levy - 2014			<u>33,175,062</u>
Subtotal			48,997,240
Decreased by:			
Cash Disbursements			<u>32,409,710</u>
Balance December 31, 2014			
School Tax Payable		9,538,823	
School Tax Deferred		<u>7,048,707</u>	
Total			<u><u>\$ 16,587,530</u></u>
2014 Liability for Local District School Tax:			
Tax Paid	\$		32,409,710
Tax Payable December 31, 2014			<u>9,538,823</u>
Subtotal			41,948,533
Less: Tax Payable December 31, 2013			<u>8,773,471</u>
Amount Charged to 2014 Operations			<u><u>\$ 33,175,062</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	15,515
Increased by:			
County Tax	\$	11,136,550	
County Library Tax		1,241,293	
County Open Space		391,490	
County Health Tax		446,444	
Added & Omitted Taxes		28,846	13,244,623
Subtotal			13,260,138
Decreased by:			
Disbursements			13,231,292
Balance December 31, 2014		\$	28,846

**SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	INCREASES	DECREASES	BALANCE DECEMBER 31, 2014
Reserve for Superstorm Sandy	\$ 206,750	\$ -	\$ 206,750	\$ -
Reserve for Sale of Municipal Assets	6,001	-	-	6,001
Due State of New Jersey:				
Marriage License Fees	880	-	255	625
DCA Training Fees	-	8,086	-	8,086
Total	\$ 213,631	\$ 8,086	\$ 207,005	\$ 14,712

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	TOTAL	GRANT FUND	TRUST OTHER FUND
Balance December 31, 2013 Due From/(Due To)	\$ (17,885)	\$ 29,269	\$ (47,154)
Increased by:			
Interfunds Created	108,809	61,655	47,154
Total Increases	108,809	61,655	47,154
Subtotal	90,924	90,924	-
Decreased by:			
Interfunds Liquidated	-	-	-
Total Decreases	-	-	-
Balance December 31, 2014 Due From/(Due To)	\$ 90,924	\$ 90,924	\$ -

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SPECIAL EMERGENCY NOTE PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

DESCRIPTION	ORIGINAL DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2013	DECREASE	BALANCE DECEMBER 31, 2014
Severance Liabilities Special Emergency Note	12/20/14	12/19/15	1.25%	\$ 298,871	\$ 99,624	\$ 199,247
Superstorm Sandy Special Emergency Note	12/20/14	12/19/15	1.25%	472,012	206,750	265,262
				<u>\$ 770,883</u>	<u>\$ 306,374</u>	<u>\$ 464,509</u>

**SCHEDULE OF DEFERRED CHARGES - N.J.S. 40A: 4-55 SPECIAL EMERGENCY
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE AUTHORIZED	AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2013	DECREASE	BALANCE DECEMBER 31, 2014
Severance Liabilities	10/17/11	\$ 498,119	\$ 99,624	\$ 298,871	\$ 99,624	\$ 199,247
Superstorm Sandy	11/20/12	1,033,750	206,750	472,012	206,750	265,262
				<u>\$ 770,883</u>	<u>\$ 306,374</u>	<u>\$ 464,509</u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	2014 ANTICIPATED REVENUE	RECEIVED	UNAPPROPRIATED	CANCEL	BALANCE DECEMBER 31, 2014
State Grants:						
Municipal Alliance on Alcoholism and Drug Abuse	\$ 24,508	\$ -	\$ -	\$ -	\$ -	\$ 24,508
Clean Communities Program	-	34,986	-	34,986	-	-
NJ Transportation Trust Fund Authority Act:						
West End Drive - 2008 Municipal Aid	783	-	-	-	-	783
Riverwood Avenue	90,744	-	-	-	-	90,744
Edger Road - 2012 Municipal Aid	87,500	-	-	-	-	87,500
2013 NJ Municipal DOT	-	200,000	-	-	-	200,000
Community Development Block Grant:						
CT - 884-09	10,551	-	8,990	-	-	1,561
Recycling Tonnage Grant	-	34,244	-	34,244	-	-
Alcohol Education & Rehabilitation	-	950	-	950	-	-
Cops in Shops	2,000	2,400	2,000	-	-	2,400
Body Armor Replacement Grant	-	6,896	-	6,896	-	-
Smart Future Growth Grant	6,000	-	-	-	-	6,000
Total Grant Funds	\$ 222,086	\$ 279,476	\$ 10,990	\$ 77,076	\$ -	\$ 413,496

Original Budget	\$ 238,891
Chapter 159	40,585
Total	\$ 279,476

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	TRANSFER FROM 2014 BUDGET	APPROPRIATION	EXPENDED	PRIOR YEAR ENCUMBRANCES	CURRENT YEAR ENCUMBRANCES	BALANCE DECEMBER 31, 2014
Clean Communities Program	\$ 1,356	\$ 34,986	\$ 31,177	\$ 12,773	\$ 4,255	\$ 13,683	
Alcohol Education Rehabilitation Fund	7,257	950	800	216	-	7,623	
Pedestrian Safety Education and Enforcement	4,166	-	-	-	-	4,166	
Body Armor Replacement Grant	17,364	6,896	21,060	-	-	3,200	
Municipal Alliance on Alcoholism & Drug Abuse	7,394	-	9,471	2,077	-	-	
NJ Transportation Trust Fund Authority Act:							
Riverwood Avenue	22,013	-	-	-	-	22,013	
2013 DOT	-	200,000	-	-	-	200,000	
Community Development Block Grant:							
CT - 884-09	30,919	-	-	3,568	3,568	30,919	
Recycling Tonnage Grant	-	34,244	43,001	10,842	2,085	-	
Cops in Shops	1,969	2,400	2,087	-	-	2,282	
Drive Sober	625	-	-	-	-	625	
Drunk Driving Enforcement Fund	24,278	-	5,718	-	241.00	18,319	
Total	\$ 117,341	\$ 279,476	\$ 113,314	\$ 29,476	\$ 10,149	\$ 302,830	

Original Budget	\$ 238,891
Appropriated by N.J.S.40A:4-87	40,585
Total	\$ 279,476

**BOROUGH OF POINT PLEASANT
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	RECEIVED 2014	UTILIZED AS REVENUE	BALANCE DECEMBER 31, 2014
Alcohol Education and Rehabilitation I \$	950	\$ 1,773	\$ 950	\$ 1,773
Recycling Tonage Grant	34,244	-	34,244	-
Pedestrian Safety Grant	4,629	-	-	4,629
Body Armor Grant	3,697	3,200	6,896	1
Over the Limit Grant	4,375	-	-	4,375
Clean Community Grant	-	34,986	34,986	-
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Total	\$ 47,895	\$ 39,959	\$ 77,076	\$ 10,778

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TRUST FUND

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**BOROUGH OF POINT PLEASANT
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	OTHER	OPEN SPACE	DOG LICENSE
Balance December 31, 2013	\$ 1,615,783	\$ 241,546	\$ 1,002
Increased by Receipts:			
Various Reserves	\$ 2,335,139	\$ -	-
Interfunds	47,154	65,142	-
Interest Earnings	-	395	-
State Registration Fees	-	-	2,125
License Fees & Others	-	-	15,939
Total Increases	<u>2,382,293</u>	<u>65,537</u>	<u>18,064</u>
Total Increases & Balances	<u>3,998,076</u>	<u>307,083</u>	<u>19,066</u>
Decreased by Disbursements:			
Various Reserves	1,824,519	-	-
Interfunds	-	-	-
Reserve for Municipal Open Space	-	51,594	-
State Registration Fees	-	-	2,124
Expenditures Under R.S.4:19-15.11	-	-	15,661
Total Disbursements	<u>1,824,519</u>	<u>51,594</u>	<u>17,785</u>
Balance December 31, 2014	<u><u>\$ 2,173,557</u></u>	<u><u>\$ 255,489</u></u>	<u><u>\$ 1,281</u></u>

**BOROUGH OF POINT PLEASANT
TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE/(FROM) STATE FOR DOG REGISTRATION FEES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	1
Increased by:		
State Registration Fees		<u>2,125</u>
Subtotal		2,126
Decreased by:		
Disbursements		<u>2,124</u>
Balance December 31, 2014	\$	<u><u>2</u></u>

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	1,026
Increased by:		
Dog License Fees Collected		<u>15,939</u>
Subtotal		16,965
Decreased by:		
Expenditures Under R.S. 4:19-15.11		<u>15,661</u>
Balance December 31, 2014	\$	<u><u>1,304</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2012	\$ 12,027
2013	<u>13,946</u>
Total	<u><u>\$ 25,973</u></u>

**BOROUGH OF POINT PLEASANT
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	241,546
Increased by:		
Open Space Tax Levied	\$	65,142
Interest Earnings		395
		<u>65,537</u>
Subtotal		307,083
Decreased by:		
Open Space Expenditures		<u>51,594</u>
Balance December 31, 2014	\$	<u><u>255,489</u></u>

**SCHEDULE OF INTERFUND RECEIVABLE - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	-
Increased by:		
Open Space Tax Levy		<u>65,142</u>
Subtotal		65,142
Decreased by:		
Cash Receipts		<u>65,142</u>
Balance December 31, 2014	\$	<u><u>-</u></u>

**BOROUGH OF POINT PLEASANT
TRUST FUND - OTHER
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	CASH RECEIPTS	CASH DISBURSEMENTS	ADJUSTMENTS	BALANCE DECEMBER 31, 2014
Reserve For:					
Law Enforcement	\$ 10,968	\$ 3,000	\$ 12,150	\$ -	\$ 1,818
Affordable Housing	63,537	109,042	-	-	172,579
Public Defender	17,545	6,651	-	-	24,196
Recreation	113,067	369,089	373,258	-	108,898
POAA Funds	330	50	-	-	380
Safety Awards	46	-	-	-	46
Environmental Commission	1,594	4,452	3,468	-	2,578
Demolition Permits	25,000	31,000	36,000	-	20,000
Escrow Zoning Board	16,807	34,686	24,344	-	27,149
Planning Board	48,810	25,311	24,145	-	49,976
Recycling	27,226	75,201	26,086	-	76,341
Police Outside Services	99,464	191,902	177,870	-	113,496
Lien & Premium Account	864,555	1,344,922	928,371	-	1,281,106
Forfeited Funds	3,168	-	-	-	3,168
Unemployment Trust	19,397	75,030	67,207	-	27,220
Engineering Escrow	31,374	10,148	15,144	-	26,378
Police - Dare, Explorer, Summer	9,061	5,322	5,426	-	8,957
Grading Escrow	510	3,060	1,010	-	2,560
Individual Escrow	308,157	46,273	130,040	-	224,390
Total	<u>\$ 1,660,616</u>	<u>\$ 2,335,139</u>	<u>\$ 1,824,519</u>	<u>\$ -</u>	<u>\$ 2,171,236</u>

BOROUGH OF POINT PLEASANT
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") - (UNAUDITED)
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Balance, December 31, 2013	\$ 848,243
Increased by:	
Township Contributions	<u>77,136</u>
Balance, December 31, 2014	<u><u>\$ 925,379</u></u>

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GENERAL CAPITAL FUND

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**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	27,210
Add:		
Refund from Cancelled Ordinance	\$	249
Premiums on Bond Anticipation Notes		3,251
		<u>3,500</u>
Balance December 31, 2014	\$	<u><u>30,710</u></u>

**SCHEDULE OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	2,168,545
Increased by:		
Bond Anticipation Note Premium	\$	3,500
Capital Improvement Fund		110,000
		<u>113,500</u>
Subtotal		2,282,045
Decreased by:		
Improvement Authorizations		<u>2,061,775</u>
Balance December 31, 2014	\$	<u><u>220,270</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2014**

Fund Balance	\$ 30,710
Capital Improvement Fund	80,152
Reserve for Bay Point Harbor	10,000
Reserve for Payment of Debt	18,604
Reserve for Police Department	25,000
Reserve for Encumbrances	756,508

Improvement Authorizations:

ORDINANCE NUMBER	DESCRIPTION	
98-08	Improvements to Borough Property	10,000
99-16, 01-25	Various General Improvements	40,260
99-29	Various General Improvements	1,254
00-07	Various General Improvements	11,263
00-25	Various General Improvements	3,652
01-12	Various General Improvements	50,621
02-18	Various Capital Improvements	66,059
03-17/05-23	General Improvements	124,245
04-15	Various Capital Improvements	50
05-21	Various Capital Improvements	2,390
07-11	Various Capital Improvements	422,154
07-18	Construction & Improvement of Riverfront Park	206,751
08-10, 09-03, 10-05	Various Capital Improvements	317,271
09-18	Various Capital Improvements	60,647
09-20	Various Capital Improvements	3,992
10-07	Various Capital Improvements	175,611
10-18	Surveillance Equipment at Parks	8,496
11-20	Various Capital Improvements	124,667
12-15	Various Capital Improvements	309,844
13-13	Various Capital Improvements	(1,167,191)
13-19	Various Capital Improvements	(1,267,557)
14-08	Various Capital Improvements	(205,183)
	Total	<u>\$ 220,270</u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	15,389,330
Decreased by:			
Budget Appropriation:			
Serial Bonds Payable	\$	2,310,000	
Green Acres Loan Payable		29,709	2,339,709
			<hr/>
Balance, December 31, 2014		\$	<u>13,049,621</u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE		ANALYSIS OF BALANCE			
		DECEMBER 31, 2013	2014 AUTHORIZATIONS	FUNDED	BALANCE DECEMBER 31, 2014	EXPENDITURES	UNEXPENDED BALANCE
09-18	Various Capital Improvements	\$ 10,414	\$ -	\$ -	\$ 10,414	\$ -	\$ 10,414
09-20	Various Capital Improvements	215,650	-	-	215,650	211,658	3,992
10-07	Various Capital Improvements	10,414	-	-	10,414	-	10,414
10-18	Surveillance Equipment at Parks	57,000	-	-	57,000	48,504	8,496
11-20	Various Capital Improvements	1,054,000	-	-	1,054,000	929,333	124,667
12-15	Various Capital Improvements	1,679,146	-	-	1,679,146	1,369,302	309,844
13-13	Various Capital Improvements	2,821,500	-	-	2,821,500	2,820,567	933
13-19	Various Capital Improvements	1,441,070	-	-	1,441,070	1,267,557	173,513
14-08	Various Capital Improvements	-	1,769,415	-	1,769,415	205,183	1,564,232
Total		\$ 7,289,194	\$ 1,769,415	\$ -	\$ 9,058,609	\$ 6,852,104	\$ 2,206,505

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 63,280
Increased by:	
Receipts - Current Fund Appropriations	<u>110,000</u>
Subtotal	173,280
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>93,128</u>
Balance December 31, 2014	<u><u>\$ 80,152</u></u>

BOROUGH OF POINT PLEASANT
 GENERAL CAPITAL FUND
 STATEMENT OF BOND ANTICIPATION NOTES
 AT DECEMBER 31, 2014

IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2013	INCREASED	DECREASED	BALANCE DECEMBER 31, 2014
Various Capital Improvements	9/24/13	9/24/14	9/23/15	0.960%	\$ 4,680,000	\$ 4,680,000	\$ 4,680,000	\$ 4,680,000
Total					\$ 4,680,000	\$ 4,680,000	\$ 4,680,000	\$ 4,680,000

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE DECEMBER 31, 2013		2014 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2014	
			FUNDED	UNFUNDED					FUNDED	UNFUNDED
98-08	Improvements to Borough Property	03/17/1998	\$ 10,000	\$ -	\$ -	-	\$ -	-	\$ 10,000	\$ -
99-16/01-25	Various General Improvements	07/06/1999	48,398	-	-	-	8,138	-	40,260	-
99-29	Various General Improvements	11/23/1999	1,254	-	-	-	-	-	1,254	-
00-07	Various General Improvements	07/11/2000	11,263	-	-	-	-	-	11,263	-
00-25	Various General Improvements	12/19/2000	4,818	-	-	-	-	1,166	3,652	-
01-12	Various General Improvements	07/10/2001	67,234	-	-	-	13,789	2,824	50,621	-
02-18	Various Capital Improvements	09/17/2002	1,637,194	-	-	-	537	2,028	66,059	-
03-17/05-23	General Improvements	08/08/2003	1,369,281	-	-	-	4,857	131	124,245	-
03-23	Improvements to Borough Hall	09/02/2003	245,000	-	-	-	20,293	-	-	-
04-15	Various Capital Improvements	08/03/2004	2,033,947	-	-	180	4,320	-	50	-
05-21	Various Capital Improvements	09/06/2003	605,634	-	-	14,437	9,860	28,070	2,390	-
06-19	Various Capital Improvements	09/19/2006	704,110	-	-	-	380	2,011	-	-
07-11	Various Capital Improvements	08/21/2007	6,163,406	-	-	1,174	8,712	1,998	422,154	-
07-18	Construction & Improvement of Riverfront Park	12/18/2007	1,168,305	-	-	-	1,530	-	206,751	-
08-10, 09-03, 10-05	Various Capital Improvements	08/19/2008	343,822	-	-	-	9,893	16,658	317,271	-
09-18	Various Capital Improvements	10/20/2009	680,534	-	-	-	8,492	5,919	50,233	-
09-20	Various Capital Improvements	10/20/2009	227,000	10,414	-	27,563	12,868	14,695	10,414	10,414
10-07	Various Capital Improvements	04/06/2010	179,304	3,992	-	1,945	3,552	12,500	165,197	3,992
10-18	Surveillance Equipment at Parks	10/05/2010	60,000	8,496	-	51,920	-	51,920	-	8,496
11-20	Various Capital Improvements	12/20/2011	1,054,000	-	-	111,849	55,141	60,346	124,667	-
12-15	Various Capital Improvements	09/04/2012	1,767,523	396,977	-	723,808	752,907	58,034	309,844	-
13-13	Various Capital Improvements	8/20/2013	2,970,000	933	-	-	-	-	-	933
13-19	Various Capital Improvements	11/19/2013	1,519,916	1,441,070	-	30,802	1,066,074	280,329	173,513	-
14-08	Various Capital Improvements	09/2/2014	1,862,543	-	-	1,862,543	80,432	217,879	1,564,232	-
Total			\$ 1,669,366	\$ 2,000,601	\$ 1,862,543	\$ 963,678	\$ 2,061,775	\$ 756,508	\$ 1,471,400	\$ 2,206,505

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2013	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2014
General Improvements	9/15/98	\$ 5,900,000	09/01/14	470,000	4.50%	\$ 470,000	\$ 470,000	\$ -
General Improvements	12/15/2003	9,270,000	12/15/15	1,020,000	3.750%	2,040,000	1,020,000	1,020,000
General Improvements	7/7/2010	14,890,000	12/15/15	850,000	2.000%	12,595,000	820,000	11,775,000
			12/15/16	900,000	3.000%			
			12/15/17	960,000	3.000%			
			12/15/18	1,025,000	3.250%			
			12/15/19	1,100,000	3.250%			
			12/15/20	1,200,000	3.250%			
			12/15/21	1,300,000	3.250%			
			12/15/22	1,480,000	3.250%			
			12/15/23	1,480,000	3.500%			
			12/15/24	1,480,000	4.000%			
Total						\$ 15,105,000	\$ 2,310,000	\$ 12,795,000

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2013	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2014
1989 Program	11/21/2000	\$ 148,836	2/21/2015	4,107	2.00%	\$ 60,175	8,092	\$ 52,083
			8/21/2015	4,148	2.00%			
			2/21/2016	4,189	2.00%			
			8/20/2016	4,231	2.00%			
			2/20/2017	4,274	2.00%			
			8/21/2017	4,316	2.00%			
			2/21/2018	4,359	2.00%			
			8/21/2018	4,403	2.00%			
			2/21/2019	4,447	2.00%			
			8/21/2019	4,491	2.00%			
2/21/2020	4,536	2.00%						
8/20/2020	4,582	2.00%						
1992 Program	10/27/2000	305,000	1/27/2015	8,416	2.00%	123,312	16,582	106,730
			7/27/2015	8,500	2.00%			
			1/27/2016	8,585	2.00%			
			7/27/2016	8,671	2.00%			
			1/27/2017	8,757	2.00%			
			7/27/2017	8,845	2.00%			
			1/27/2018	8,933	2.00%			
			7/27/2018	9,023	2.00%			
			1/27/2019	9,113	2.00%			
			7/27/2019	9,204	2.00%			
1/27/2020	9,296	2.00%						
7/27/2020	9,387	2.00%						

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2013	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2014
2010 Program	11/5/2010	113,000	2/5/2015	2,555	2.00%	100,843	5,035	95,808
			8/5/2015	2,581	2.00%			
			2/5/2016	2,607	2.00%			
			8/5/2016	2,633	2.00%			
			2/5/2017	2,659	2.00%			
			8/5/2017	2,686	2.00%			
			2/5/2018	2,712	2.00%			
			8/5/2018	2,740	2.00%			
			2/5/2019	2,767	2.00%			
			8/5/2019	2,795	2.00%			
			2/5/2020	2,823	2.00%			
			8/5/2020	2,851	2.00%			
			2/5/2021	2,879	2.00%			
			8/5/2021	2,908	2.00%			
			2/5/2022	2,937	2.00%			
			8/5/2022	2,966	2.00%			
			2/5/2023	2,996	2.00%			
			8/5/2023	3,026	2.00%			
			2/5/2024	3,056	2.00%			
			8/5/2024	3,087	2.00%			
			2/5/2025	3,118	2.00%			
			8/5/2025	3,149	2.00%			
			2/5/2026	3,181	2.00%			
			8/5/2026	3,212	2.00%			
			2/5/2027	3,245	2.00%			
			8/5/2027	3,277	2.00%			
			2/5/2028	3,310	2.00%			
			8/5/2028	3,343	2.00%			
			2/5/2029	3,376	2.00%			
			8/5/2029	3,410	2.00%			
			2/5/2030	3,444	2.00%			
			8/5/2030	3,479	2.00%			
Total								
						\$ 284,330	\$ 29,709	\$ 254,621

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	NOTES ISSUED	BALANCE DECEMBER 31, 2014
13-13	Various Capital Improvements	\$ 1,168,124	\$ -	\$ -	\$ 1,168,124
13-19	Various Capital Improvements	1,441,070	-	-	1,441,070
14-08	Various Capital Improvements	-	1,769,415	-	1,769,415
	Total	<u>\$ 2,609,194</u>	<u>\$ 1,769,415</u>	<u>\$ -</u>	<u>\$ 4,378,609</u>

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WATER-SEWER UTILITY FUND

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**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
SCHEDULE OF UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	OPERATING FUND	CAPITAL FUND
Balance December 31, 2013	\$ 1,022,314	\$ 1,415,553
Increased by Receipts:		
Miscellaneous Revenues	\$ 68,179	
Consumer Rents	6,112,349	
Prepaid Rents	5,534	
Interest on Delinquent Accounts	47,245	
Community Disaster Loan Program	300,684	
Due Utility Operating	-	160,000
	6,533,991	160,000
Subtotal	6,533,991	160,000
Total	7,556,305	1,575,553
Decreased by Disbursements:		
Budget Appropriations	5,973,161	
Appropriation Reserves	2,417	
Encumbrances Payable	148,743	
Due Utility Capital	160,000	
Improvement Authorizations	-	1,530,911
	6,284,321	1,530,911
Total Disbursements	6,284,321	1,530,911
Balance December 31, 2014	\$ 1,271,984	\$ 44,642

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH - WATER-SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Fund Balance	\$ 4,168
Capital Improvement Fund	155,967
Down Payment on Improvements	13,600
Due to Utility Operating Fund	100,000
Encumbrances Payable	1,652,420
Improvement Authorizations:	
01-13 Various Improvements	6,938
02-19 Various Improvements	54,608
03-16 Various Improvements	231,478
04-16 Various Improvements	16,513
05-22 Various Improvements	29,412
06-08 Interconnect	16,095
06-20, 12-02 Various Improvements	207,448
06-26 Improvements to Water Facilities	6,543
07-12 Various Improvements	322,055
08-11 Various Improvements	1,359
09-19 Various Improvements	9,656
10-08 Various Improvements	219,155
10-15, 12-03 Various Improvements	(918,706)
11-21 Various Improvements	29,607
12-05 Various Improvements	(1,174,601)
12-16 Various Improvements	65,218
13-20 Various Improvements	(916,597)
14-10 Various Improvements	(87,694)
	<hr/>
Total	<u>\$ 44,642</u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 1,007,684
Increased by:	
Water-Sewer Levy	5,791,177
Subtotal	6,798,861
Decreased by:	
Cash Collections	6,112,349
Balance, December 31, 2014	\$ 686,512

**SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	ENCUMBERED	RESERVED			
Salaries and Wages	\$ -	\$ 126,303	\$ 126,303	\$ 18,688	\$ 107,615
Other Expenses	148,743	114,716	263,459	132,472	130,987
Ocean County Utilities Authority	-	2,494	2,494	-	2,494
Social Security System	-	7,441	7,441	-	7,441
Public Employees' Retirement System	-	268	268	-	268
Unemployment Compensation	-	5,577	5,577	-	5,577
Total	\$ 148,743	\$ 256,799	\$ 405,542	\$ 151,160	\$ 254,382

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$	76,404
Increased by:		
Interest Expense		168,209
Subtotal		244,613
Decreased by:		
Interest Paid		175,367
Balance December 31, 2014	\$	69,246

PRINCIPAL OUTSTANDING DECEMBER 31, 2014 AMOUNT	RATE	FROM	TO	PERIOD	AMOUNT
1998 Serial Bonds \$ 170,000	Various	9/1/14	12/31/14	4 Months	\$ 2,550
2010 Serial Bonds 4,195,000	Various	7/15/14	12/31/14	5 1/2 Months	66,696
				Total	\$ 69,246

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER-SEWER OPERATING INTERFUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	-
Increased by:			
Down Payment on Improvements Budgeted	\$	60,000	
Interfund Advanced		100,000	160,000
			<hr/>
Subtotal			160,000
Decreased by:			
Interfunds Liquidated			60,000
			<hr/>
Balance December 31, 2014		\$	<u>100,000</u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	110,184
Increased by:			
Receipts - Utility Fund Appropriation			60,000
			<hr/>
Subtotal			170,184
Decreased by:			
Appropriated to Finance Improvement Authorizations			14,217
			<hr/>
Balance December 31, 2014		\$	<u>155,967</u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	IMPROVEMENTS AUTHORIZED	BALANCE DECEMBER 31, 2014
01-13	Various Improvements	\$ 28,780	\$ -	\$ 28,780
03-16	Various Improvements	621,361	-	621,361
04-16	Various Improvements	278,875	-	278,875
05-22	Various Improvements	1,679,975	-	1,679,975
06-08	Interconnect	85,000	-	85,000
06-20, 12-02	Various Improvements	1,427,447	-	1,427,447
06-26	Improvements to Water Facilities	200,000	-	200,000
07-12	Various Improvements	466,900	-	466,900
08-11	Various Improvements	213,045	-	213,045
09-19	Various Improvements	101,700	-	101,700
10-08	Various Improvements	283,700	-	283,700
10-15, 12-03	Various Improvements	1,020,505	-	1,020,505
11-21	Purchase of Various Equipment & Various Improvements	473,400	-	473,400
12-04	Drainage Improvements at Powhatan Ave	89,750	-	89,750
12-05	Replacement of Pumping Stations	2,027,500	-	2,027,500
12-16	Various Improvements	243,600	-	243,600
13-20	Various Improvements	1,111,357	-	1,111,357
14-10	Various Improvements	-	284,350	284,350
	Total	<u>\$ 10,352,895</u>	<u>\$ 284,350</u>	<u>\$ 10,637,245</u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

FIXED CAPITAL	BALANCE DECEMBER 31, 2014
Pumping Station	\$ 1,675
Wells	1,354,266
Filter System	203,251
Pumping Station	151,618
Aerator Tank	42,000
Elevator Tanks	167,701
Distribution Mains & Accessories	764,080
Meters	290,471
Fire Hydrants	30,735
Garage	14,582
Emergency & Inspections	13,826
Law Expenditures During Construction	5,584
Interest During Construction	2,550
Original Sewer System	15,852,747
Deferred Cash	2,278,000
Water-Sewer System Improvements	727,500
Various Improvements	4,299,105
Sewer Collection System	963,788
Valve	60,000
Heavy Equipment	66,000
Municipal Building Improvements - 1999-2006	125,000
Various Improvements	<u>2,782,705</u>
Total	<u><u>\$ 30,197,184</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 406,599
Increased by:	
Authorization Funded by Capital Improvement Fund	14,217
Balance December 31, 2014	\$ 420,816

**SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 29,875,585
Increased by:	
Serial Bonds Paid by Budget	685,000
Balance December 31, 2014	\$ 30,560,585

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	AUTHORIZED AMOUNT		BALANCE DECEMBER 31, 2013		2014 AUTHORIZATIONS		PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2014	
			\$		FUNDED	UNFUNDED						FUNDED	UNFUNDED
01-13	Various Improvements	09/04/01	\$ 575,600		\$ 6,938	\$ -	\$ -	\$ -	-	\$ -	-	6,938	\$ -
02-19	Various Improvements	09/17/02	239,700		54,608	-	-	-	-	-	-	54,608	-
03-16	Various Improvements	08/05/03	621,361		258,841	-	-	11,565	-	38,928	-	231,478	-
04-16	Various Improvements	08/03/04	278,875		16,513	-	-	15,475	-	15,475	-	16,513	-
05-22	Various Improvements	09/06/05	1,679,975		11,567	17,845	-	-	-	-	-	11,567	17,845
06-08	Interconnect	05/16/06	85,000		16,095	-	-	-	-	-	-	16,095	-
06-20, 12-02	Various Improvements	03/20/12	1,427,447		390,953	-	-	86,145	-	179,778	-	207,448	-
06-26	Improvements to Water Facilities	12/19/06	200,000		6,543	-	-	-	-	-	-	6,543	-
07-12	Various Improvements	08/07/07	466,900		326,164	-	-	1,844	-	1,844	-	322,055	-
08-11	Various Improvements	08/19/08	213,045		1,359	-	-	-	-	-	-	1,359	-
09-19	Various Improvements	10/20/09	101,700		9,656	-	-	5,083	-	5,083	-	9,656	-
10-08	Various Improvements	08/29/07	283,700		234,212	-	-	8,251	-	8,251	-	219,155	-
10-15, 12-03	Various Improvements	03/20/12	1,020,505		-	50,774	-	3,500	-	3,500	-	-	50,774
11-21	Purchase of Various Equipment & Various Improvements	10/20/09	473,400		388,638	-	-	15,377	-	155,798	-	29,607	-
12-04	Drainage Improvements at Powhatan Ave	03/20/12	89,750		-	-	-	10	-	10	-	-	-
12-05	Replacement of Pumping Stations	03/20/12	2,027,500		-	1,809,725	-	89,875	-	967,209	-	-	602,457
12-16	Various Improvements	08/21/12	243,600		-	83,390	-	62,951	-	73,923	-	-	65,218
13-20	Various Improvements	11/19/13	1,169,850		58,493	1,111,357	-	-	-	791,201	-	183,889	194,760
14-10	Various Improvements	09/02/14	284,350		-	-	284,350	-	15,011	86,900	-	-	182,439
Total					\$ 1,780,580	\$ 3,073,091	\$ 284,350	\$ 291,825	\$ 1,530,911	\$ 1,652,420	\$ 1,133,022	\$ 1,113,493	

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING 12/31/2013		INTEREST RATE	BALANCE DECEMBER 31, 2013	DECREASED	BALANCE DECEMBER 31, 2014
			DATE	AMOUNT				
Sewer Improvements	9/15/98	\$ 2,225,000	9/1/15	170,000	4.50%	\$ 340,000	\$ 170,000	\$ 170,000
Sewer Improvements	12/15/03	2,408,000	12/15/14	310,000	3.625%	310,000	310,000	
Water/Sewer Improvements	07/09/10	4,980,000	07/15/15	210,000	2.000%	4,400,000	205,000	4,195,000
			07/14/16	215,000	3.000%			
			07/14/17	220,000	3.000%			
			07/14/18	230,000	3.250%			
			07/14/19	235,000	3.250%			
			07/13/20	250,000	3.250%			
			07/13/21	250,000	3.250%			
			07/13/22	260,000	3.250%			
			07/13/23	280,000	3.500%			
			07/12/24	295,000	4.000%			
			07/12/25	320,000	4.000%			
			07/12/26	320,000	4.000%			
			07/12/27	350,000	4.000%			
			07/11/28	380,000	4.000%			
			07/11/29	380,000	4.000%			
			Total			\$ 5,050,000	\$ 685,000	\$ 4,365,000

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2014**

IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2013	INCREASED	DECREASED	BALANCE DECEMBER 31, 2014
Various Capital Improvements	9/24/13	9/24/14	9/22/15	0.960%	\$ 1,360,000	\$ 1,360,000	\$ 1,360,000	\$ 1,360,000
Total					<u>\$ 1,360,000</u>	<u>\$ 1,360,000</u>	<u>\$ 1,360,000</u>	<u>\$ 1,360,000</u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	BOND ANTICIPATION NOTE ISSUED	BALANCE DECEMBER 31, 2014
10-15, 12-03	Various Improvements	\$ 969,480	\$ -	\$ -	\$ 969,480
12-05	Replacement of Pumping Stations	1,777,058	-	-	1,777,058
13-20	Various Improvements	1,111,357.00	-	-	1,111,357
14-10	Various Improvements	-	270,133	-	270,133
		<u>\$ 3,857,895</u>	<u>\$ 270,133</u>	<u>\$ -</u>	<u>\$ 4,128,028</u>

PAYROLL FUND

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**BOROUGH OF POINT PLEASANT
PAYROLL FUND
SCHEDULE OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 114,799
Increased by Receipts:	
Payroll	<u>8,584,511</u>
Subtotal	8,699,310
Decreased by Disbursements:	
Disbursements	<u>8,567,095</u>
Balance December 31, 2014	<u><u>\$ 132,215</u></u>

**SCHEDULE OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 10,727
Increased by:	
Payroll Deductions	<u>8,567,095</u>
Subtotal	8,577,822
Decreased by:	
Disbursements	<u>8,519,515</u>
Balance December 31, 2014	<u><u>\$ 58,307</u></u>

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SINGLE AUDIT SECTION

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**INDEPENDENT AUDITORS’S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

The Honorable Mayor and Members of the
Borough Council
Point Pleasant Borough
Point Pleasant, New Jersey 08742

Report on Compliance for Each Major Federal Program

We have audited Borough of Point Pleasant’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority’s major federal programs for the year ended December 31, 2014. The Borough of Point Pleasant’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Borough of Point Pleasant’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Borough of Point Pleasant’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Borough of Point Pleasant’s compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Borough of Point Pleasant complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

Report on Internal Control Over Compliance

Management of the Borough of Point Pleasant is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Point Pleasant's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Point Pleasant's internal control over compliance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Comments & Recommendations we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Comments & Recommendations to be material weaknesses as Finding No.'s 2014-001, 2014-002, 2014-003 and 2014-004.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Borough of Point Pleasant as of and for the year ended December 31, 2014, and have issued our report thereon dated , which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

Medford, New Jersey
June 27, 2015

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**BOROUGH OF POINT PLEASANT
SCHEDULE OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Contract Number</u>	<u>Grant Period</u>	<u>Grant Award</u>	<u>Expenditures</u>	<u>Cumulative Expenditures</u>
<u>Department of Housing & Urban Development</u>						
Pass Through County of Ocean CDBG-Roadway Improvements	14.218	Not Available	2011	\$ 60,649	\$ 3,568	\$ 60,649
<u>Total Department of Housing & Urban Development</u>						
<u>Department of Homeland Security (DHS)</u>						
Federal Emergency Management Agency(FEMA) Department of Homeland Security (DHS) Public Assistance Grants Superstorm Sandy	97.036	Not Available	OPEN	1,033,750	1,033,750	1,033,750
Community Disaster Loans	97.030	Not Available	OPEN	4,472,147	4,472,147	4,472,147
<u>Total Department of Homeland Security (DHS)</u>						
<u>Total Federal Financial Awards</u>						
				\$ 5,566,546	\$ 5,509,465	\$ 5,566,546

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**POINT PLEASANT BOROUGH
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. General

The accompanying schedule of expenditures of federal financial assistance presents the activity of federal financial assistance of the Borough of Point Pleasant, County of Ocean, State of New Jersey. The Township is defined in Note 1 to the Township’s financial statements.

Note 2. Basis of Accounting

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

Note 3. Relationship to Financial Statements – Statutory Basis

Amounts reported in the accompanying schedules agree with amounts reported in the Township's general-purpose financial statements. Expenditures from awards are reported in the Township’s financial statement as follows:

	Federal
State & Federal Grant Fund	\$ 3,568
Water-Sewer Utility Fund – Prior Year	652,147
Current Fund – Prior Year	<u>4,853,750</u>
 Total	 <u>\$5,509,465*</u>

*This amount represents prior year expenditures that are subject to single audit testing in 2014 when receipts greater than \$500,000 were received.

Note 4. Relationship to Federal Financial Report

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial report.

Note 5. Major Programs

The two major programs are identified in the Schedule of Findings and Questioned Costs section.

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POINT PLEASANT BOROUGH
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2014

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Qualified – Regulatory Basis</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	Yes
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to basic financial Statements noted?	Yes

Federal Awards

Dollar threshold used to distinguish between type A programs:	\$300,000
Auditee qualified as low-risk auditee?	No
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133	No

Federal CFDA Number

97.030

Name of Federal Program

Community Disaster Loans

POINT PLEASANT BOROUGH
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2014

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

***Finding 2014-001:**

Criteria or Specific Requirement:

Monthly activity and ending balances in the tax and water-sewer billing and collection system should be reconciled and posted to the general ledger accurately.

Condition:

It was noted during our audit that the monthly activity and ending balances in the tax and water-sewer billing and collection system are not being reconciled and posted to the general ledger accurately.

Context:

The monthly activity and ending balances in the tax and water-sewer billing and collection system have not been reconciled and posted accurately in the general ledger of the borough.

Effect:

The general ledger maintained by the chief financial officer is not reconciled with the activity and ending balances in the tax and water-sewer billing and collection system.

Recommendation:

The Borough should implement procedures to ensure all activity of the tax collector and water-sewer collector is reported to the Finance Office accurately.

Views of Responsible Officials and Planned Corrective Action:

The responsible officials will address the matter as part of their corrective action plan.

POINT PLEASANT BOROUGH
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2014

Section II – Financial Statement Findings (continued)

Finding 2014-002:

Criteria or Specific Requirement:

Municipal held lien accounts should be recorded properly in the general ledger accounting system.

Condition:

It was noted during our audit that the Borough does not have an analysis of municipal held liens.

Context:

A municipal held lien register is not being maintained by the Borough.

Effect:

The Borough does not have an accurate listing of municipal held liens.

Recommendation:

That the Borough maintain an analysis of municipal held liens.

Views of Responsible Officials and Planned Corrective Action:

The responsible officials will address the matter as part of their corrective action plan.

POINT PLEASANT BOROUGH
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2014

Section II – Financial Statement Findings (continued)

Finding 2014-003:

Criteria or Specific Requirement:

The borough should be maintaining municipal minutes timely and accurately.

Condition:

It was noted during the audit that municipal minutes are not being maintained in bound minute books or being posted to the website in a timely manner.

Context:

The borough is not make available municipal minutes in bound minute books and through the district website in a timely manner.

Effect:

The borough minutes are not being made available to the public in a timely manner.

Recommendation:

That all minutes are timely transcribed and maintained in the bound minutes book and posted on the borough website.

Views of Responsible Officials and Planned Corrective Action:

The responsible officials will address the matter as part of their corrective action plan.

POINT PLEASANT BOROUGH
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2014

Section II – Financial Statement Findings (continued)

Finding 2014-004:

Criteria or Specific Requirement:

A formal purchasing manual should be available to borough employees to reference as part of the purchasing process.

Condition:

It was noted during the audit that the borough does not have a formal procedure manual with regards to purchasing internal controls.

Context:

The borough should have a formal procedure manual in order to ensure internal control policies and procedures are known to employees and being followed.

Effect:

The borough does not have a formal internal control procedure manual to reference when purchasing.

Recommendation:

That the borough creates a formal procedure manual in regards to purchasing internal controls.

Views of Responsible Officials and Planned Corrective Action:

The responsible officials will address the matter as part of their corrective action plan.

**POINT PLEASANT BOROUGH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended December 31, 2014**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

Finding 2013-01:

Condition:

It was noted during our audit that the monthly activity and ending balances in the tax and water-sewer billing and collection system are not being reconciled and posted to the general ledger accurately.

Current Status:

This item has not been corrected.

Finding 2013-02:

Condition:

It was noted during our audit that monthly bank reconciliations for third party premium and lien accounts were not being performed on timely basis and activity was not being properly posted.

Current Status:

This item has been corrected.

Section III – Federal Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN**

PART II

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

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The Honorable Mayor and Members of the
Borough Council
Borough of Point Pleasant
Point Pleasant, New Jersey 08742

We have audited the financial statements of the Borough of Point Pleasant in the County of Ocean for the year ended December 31, 2014.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and Water-Sewer 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 payment 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 before approval of such claims by the governing body.

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

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

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

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 as of January 1, 2012, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

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

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 as of January 1, 2011 and thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes, Water & Sewer Utility Rents and Assessments

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

The governing body on January 5, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“**BE IT RESOLVED** that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

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

Delinquent Taxes and Tax Title Liens

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

YEAR	NUMBER OF LIENS
2014	6
2013	6
2012	6

Deductions From Taxes

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

Municipal Court

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

The statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Tax Office:

***Finding 2014-01:**

It was noted during our audit that the monthly activity and ending balances in the tax and water-sewer billing and collection system are not being reconciled and posted to the general ledger accurately.

Recommendation:

The Borough should implement procedures to ensure all activity of the tax collector and water-sewer collector is reported to the Finance Office accurately.

Finding 2014-02:

It was noted during our audit that the Borough does not have an analysis of municipal held liens.

Recommendation:

That the Borough maintain an analysis of municipal held liens.

Clerk's Office

Finding 2014-03

It was noted during the audit that municipal minutes are not being maintained in bound minute books or being posted to the website in a timely manner.

Recommendation:

That all minutes are timely transcribed and maintained in the bound minutes book and posted on the borough website.

Finding 2014-04

It was noted during the audit that the borough does not have a formal procedure manual with regards to purchasing internal controls.

Recommendation:

That the borough creates a formal procedure manual in regards to purchasing internal controls.

*Prior Year Finding

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was not taken on prior year findings marked with an asterisk (*).

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	POSITION	AMOUNT OF BOND
William G. Schroeder	Mayor	
Robert Sabosik	Council President	
Antoinette DePaola	Councilmember	
Christian Leitner	Councilmember	
Joseph Furfato	Councilmember	
John Wisniewski	Councilmember	
William Borrowsky	Councilmember	
David Maffei	Administrator/Borough Clerk/ Assessment Search Officer	
Jerry J. Dasti, Esq.	Attorney	
Himanshu Shah	Chief Financial Officer	
Jennifer Burr	Tax Collector	
James A. Liguori	Magistrate	
Tracey McCrystal	Court Administrator	

All of the Bonds were examined and were properly executed.

There was an Employees' Blanket Performance Bond in the amount of \$50,000 for municipal employees carried by the Ocean County Joint Insurance Fund and \$950,000 carried by the Municipal Excess Joint Insurance Fund

Acknowledgment

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

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR #435

Freehold, New Jersey
June 27, 2015