

**CITY OF BRIGANTINE  
REPORT OF AUDIT  
FOR THE YEAR ENDED  
DECEMBER 31, 2016**



**CITY OF BRIGANTINE**  
**TABLE OF CONTENTS**

<b><u>Exhibit</u></b>		<b><u>Page No.</u></b>
	<b><u>PART I</u></b>	
	Independent Auditor's Report	1 - 3
	<b><u>CURRENT FUND</u></b>	
A	Comparative Balance Sheet - Regulatory Basis	4 - 5
A - 1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	6 - 7
A - 2	Statement of Revenues - Regulatory Basis	8 - 11
A - 3	Statement of Expenditures - Regulatory Basis	12 - 17
	<b><u>TRUST FUND</u></b>	
B	Comparative Balance Sheet - Regulatory Basis	18 - 19
	<b><u>GENERAL CAPITAL FUND</u></b>	
C	Comparative Balance Sheet - Regulatory Basis	20
C - 1	Statement of Fund Balance - Regulatory Basis	21
	<b><u>WATER AND SEWER UTILITY FUND</u></b>	
D	Comparative Balance Sheet - Regulatory Basis	22 - 23
D - 1	Comparative Statement of Operations and Changes in Operating Fund Balance - Regulatory Basis	24
D - 2	Statement of Capital Fund Balance - Regulatory Basis	25
D - 3	Statement of Revenues - Regulatory Basis	26
D - 4	Statement of Expenditures - Regulatory Basis	27
	<b><u>GOLF COURSE UTILITY FUND</u></b>	
E	Comparative Balance Sheet - Regulatory Basis	28 - 29
E - 1	Comparative Statement of Operations and Changes in Operating Fund Balance - Regulatory Basis	30
E - 2	Statement of Capital Fund Balance - Regulatory Basis	31
E - 3	Statement of Revenues - Regulatory Basis	32
E - 4	Statement of Expenditures - Regulatory Basis	33
	<b><u>GENERAL FIXED ASSET ACCOUNT GROUP</u></b>	
F	Comparative Balance Sheet - Regulatory Basis	34
	<b>NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS</b>	35 - 61

**CITY OF BRIGANTINE**  
**TABLE OF CONTENTS**

**Exhibit**

**Page No.**

**SUPPLEMENTAL SCHEDULES**

Independent Auditor's Report - <i>Government Auditing Standards</i>	62 - 63
Independent Auditor's Report - Single Audit	64 - 65
Schedule of Expenditures of Federal Awards	66
Notes to Schedules of Federal Awards	67
Schedule of Findings and Questioned Costs	68 - 69
Schedule of Prior Year Findings	70

**CURRENT FUND**

A - 4	Schedule of Cash - Treasurer	71
A - 5	Schedule of Cash - Collector	72
A - 6	Schedule of Taxes Receivable and Analysis of Property Tax Levy	73
A - 7	Schedule of Tax Title Liens	74
A - 8	Schedule of Revenue Accounts Receivable	75
A - 9	Schedule of Appropriation Reserves - Prior Year	76 - 78
A - 10	Schedule of Local School Tax	79
A - 11	Schedule of Federal and State Grants Receivable	80 - 81
A - 12	Schedule of Reserves for Federal and State Grants - Unappropriated	82 - 83
A - 13	Schedule of Appropriated Reserves for Federal and State Grants	N/A

**TRUST FUND**

B - 1	Schedule of Animal Control Cash - Treasurer	84
B - 2	Schedule of Other Trust Cash - Treasurer	85
B - 3	Schedule of Reserve for Animal Control Expenditures	86
B - 4	Schedule of Due to/(from) Current Fund - Animal Control Fund	87
B - 5	Schedule of Amount Due to State of New Jersey	87

**GENERAL CAPITAL FUND**

C - 2	Schedule of Cash - Treasurer	88
C - 3	Analysis of Cash	89
C - 4	Schedule of Capital Improvement Fund	90
C - 5	Schedule of Deferred Charges to Future Taxation - Funded	91
C - 6	Schedule of Deferred Charges to Future Taxation - Unfunded	92
C - 7	Schedule of Improvement Authorizations	93
C - 8	Schedule of General Serial Bonds & Refunding Bonds	94
C - 8a	Schedule of Type I School Serial Bonds & Refunding Bonds	95
C - 8b	Schedule of Green Trust Loan Payable	96
C - 9	Schedule of Bond Anticipation Notes	97
C - 10	Schedule of Bonds and Notes Authorized But Not Issued	98

**CITY OF BRIGANTINE**  
**TABLE OF CONTENTS**

<b><u>Exhibit</u></b>		<b><u>Page No.</u></b>
	<b><u>WATER AND SEWER UTILITY FUND</u></b>	
D - 5	Schedule of Cash - Treasurer	99
D - 6	Analysis of Cash	100
D - 7	Analysis of Cash - Collector	N/A
D - 8	Schedule of Consumer Accounts Receivable	101
D - 9	Schedule of Utility Liens	101
D - 10	Schedule of Appropriation Reserves - Prior Year	102
D - 11	Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	103
D - 12	Schedule of Improvement Authorizations	104
D - 13	Schedule of Serial Bonds	105
D - 13a	Schedule of Refunding Bonds	N/A
D - 13b	Schedule of State Water System Rehabilitation Loan Payable	N/A
D - 13c	Schedule of Water and Sewer Loans	106 - 108
D - 14	Schedule of Bond Anticipation Notes	N/A
D - 15	Schedule of Bonds and Notes Authorized But Not Issued	109
	<b><u>GOLF COURSE UTILITY FUND</u></b>	
E - 5	Schedule of Cash - Treasurer	110
E - 6	Analysis of Cash	111
E - 7	Schedule of Consumer Accounts Receivable	N/A
E - 8	Schedule of Utility Liens	N/A
E - 9	Schedule of Appropriation Reserves - Prior Year	112
E - 10	Schedule of Utility Capital Improvement Fund	N/A
E - 11	Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	113
E - 12	Schedule of Improvement Authorizations	114
E - 13	Schedule of Serial Bonds	115
E - 14	Schedule of Bond Anticipation Notes	116
E - 15	Schedule of Bonds and Notes Authorized But Not Issued	117
	<b><u>PART II</u></b>	
	General Comments	118 - 120
	Findings and Recommendations	121

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**CITY OF BRIGANTINE**  
**PART I**  
**REPORT ON AUDIT OF**  
**FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2016**







## Independent Auditor's Report

To the Honorable Mayor and  
Members of City Council  
City of Brigantine  
County of Atlantic, New Jersey

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Brigantine, as of December 31, 2016 and 2015, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 City'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 City'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 described in Note 1 of the financial statements, the financial statements are prepared by the City of Brigantine on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Brigantine as of December 31, 2016 and 2015, or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2016 and 2015, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brigantine's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2017 on our consideration of the City of Brigantine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Brigantine's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**June 23, 2017**

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**EXHIBIT - A**  
**CURRENT FUND**



**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 10,029,025.01	9,305,441.02
Change and Petty Cash Funds	200.00	1,375.00
Total Cash	<u>10,029,225.01</u>	<u>9,306,816.02</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	675,351.95	478,065.30
Tax Title and Other Liens	77,916.52	55,720.96
Property Acquired for Taxes - at Assessed Valuation	308,862.00	308,862.00
Revenue Accounts Receivable	9,972.70	13,998.88
Interfund Receivable:		
Trust Other Fund	100.00	1,488.00
Due Animal Control Fund	3,387.60	3,459.00
Federal and State Grant Fund	1,362.39	917.89
Due Golf Utility Operating Fund	9,042.66	117,343.01
Total Receivables and Other Assets	<u>1,085,995.82</u>	<u>979,855.04</u>
Deferred Charges:		
Special Emergency Authorizations (40A:4-53)	359,918.20	622,159.20
Emergency Appropriation	-	8,160.00
Total Deferred Charges	<u>359,918.20</u>	<u>630,319.20</u>
Total Regular Fund	<u>11,475,139.03</u>	<u>10,916,990.26</u>
Federal and State Grant Fund:		
Cash	142,361.54	193,486.23
Federal and State Grants Receivable	1,505,723.07	648,913.85
Total Federal and State Grant Fund	<u>1,648,084.61</u>	<u>842,400.08</u>
Total Current Fund	<u>\$ 13,123,223.64</u>	<u>11,759,390.34</u>

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,194,768.50	1,818,417.40
Reserve for Encumbrances	348,528.35	527,568.65
Prepaid Taxes	1,004,913.86	920,332.39
Overpaid Taxes	33,165.83	37,422.99
Payroll Taxes Payable	24,430.39	99,517.56
County Tax Payable	121,788.99	92,197.09
Contracts Payable - Revaluation	-	8,783.89
Tourism Commission	1,310.00	1,310.00
Due to State:		
Marriage Licenses	225.00	350.00
Senior Citizens & Vets	27,349.46	28,827.26
State Training Fees	6,088.00	8,766.00
Interfund Payable:		
General Capital Fund	17,609.00	-
Trust Other Fund	264.00	5,237.55
Other		
Tax Appeals	475,000.00	400,000.00
Tax Map and Property Revaluation	300,019.00	300,019.00
Master Plan	20,065.02	20,065.02
Future Capital Projects - Insurance Proceeds	318,474.86	318,474.86
Reserve for Future Capital Projects	800,000.00	-
	<u>4,694,000.26</u>	<u>4,587,289.66</u>
Reserve for Receivables and Other Assets	1,085,995.82	979,855.04
Fund Balance	<u>5,695,142.95</u>	<u>5,349,845.56</u>
Total Regular Fund	<u>11,475,139.03</u>	<u>10,916,990.26</u>
Federal and State Grant Fund:		
Appropriated Reserves	1,444,351.60	734,662.16
Encumbrances Payable	202,370.62	97,823.22
Due to Current Fund	1,362.39	917.89
Due Water-Sewer Utility Operating Fund	-	8,996.81
	<u>1,648,084.61</u>	<u>842,400.08</u>
Total Federal and State Grant Fund	<u>1,648,084.61</u>	<u>842,400.08</u>
Total Current Fund	<u>\$ 13,123,223.64</u>	<u>11,759,390.34</u>



**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	2016	2015
Revenue and Other Income Realized		
Fund Balance	\$ 2,550,000.00	1,593,000.00
Miscellaneous Revenue Anticipated	4,989,173.20	4,708,521.96
Receipts from Delinquent Taxes	478,099.19	592,906.76
Receipts from Current Taxes	56,553,618.23	56,861,540.46
Non Budget Revenue	359,458.66	252,897.92
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,515,227.74	1,379,275.20
Other Reimbursements	-	997.49
Grants Cancelled	10,990.04	-
Reserves Liquidated:		
Interfunds Returned	119,648.90	561,326.39
Total Income	<u>66,576,215.96</u>	<u>65,950,466.18</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	11,716,625.00	11,901,000.00
Other Expenses	8,203,723.20	7,302,600.00
Deferred Charges & Statutory Expenditures		
Appropriations Within "CAPS"	3,398,619.34	3,453,143.99
Operations Excluded from "CAPS"		
Salaries and Wages	285,000.00	271,000.00
Other Expenses	1,218,415.89	744,212.96
Capital Improvements - Excluded from "CAPS"	100,000.00	50,000.00
Municipal Debt Service - Excluded from "CAPS"	3,721,448.85	3,706,062.02
Deferred Charges and Statutory Expenditures		
Municipal Excluded from "CAPS"	270,401.00	421,892.54
Transferred to Board of Education for Use of Local Schools	1,177,335.38	1,218,312.50
Local District School Tax	15,888,114.00	15,888,114.00
Senior Citizens' Deductions Disallowed by Collector -		
Prior Year Taxes	1,961.14	3,750.00
County Tax	17,557,438.53	17,437,935.25
County Share of Added Tax	121,788.99	92,197.09
Creation of Reserve for :		
Interfunds Created	10,405.05	120,170.60
Refund of Prior Year Revenue	9,642.20	4,000.00
Total Expenditures	<u>63,680,918.57</u>	<u>62,614,390.95</u>
Excess in Revenue	<u>2,895,297.39</u>	<u>3,336,075.23</u>

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	<u>2,895,297.39</u>	<u>3,336,075.23</u>
Fund Balance January 1	<u>5,349,845.56</u>	<u>3,606,770.33</u>
	8,245,142.95	6,942,845.56
Decreased by:		
Utilization as Anticipated Revenue	<u>2,550,000.00</u>	<u>1,593,000.00</u>
Fund Balance December 31	<u>\$ 5,695,142.95</u>	<u>5,349,845.56</u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Anticipated			
	Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 2,550,000.00		2,550,000.00	-
Total Fund Balance Anticipated	2,550,000.00	-	2,550,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	12,000.00		11,850.00	(150.00)
Other	20,000.00		22,111.00	2,111.00
Fees and Permits	125,000.00		115,164.17	(9,835.83)
Fines and Costs:				
Municipal Court	130,000.00		140,923.33	10,923.33
Interest and Costs on Taxes	135,000.00		147,673.18	12,673.18
Beach Fees	520,000.00		548,053.00	28,053.00
Beach Vehicles Permits	627,000.00		640,602.00	13,602.00
Cable Franchise	69,470.00		77,704.35	8,234.35
County Share of Library Costs	50,000.00		60,000.00	10,000.00
Emergency Medical Services	265,000.00		298,423.78	33,423.78
Lease of City Property	160,000.00		176,676.50	16,676.50
Total Section A: Local Revenues	2,113,470.00	-	2,239,181.31	125,711.31
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	657,130.00		657,130.00	-
Open Space Pilot Aid (Garden State Trust)	15,570.00		15,570.00	-
Type I School Debt Service Aid	193,715.00		193,715.00	-
Total Section B: State Aid Without Offsetting Appropriations	866,415.00	-	866,415.00	-

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	450,000.00		522,023.00	72,023.00
Total Section C: Uniform Construction Code Fees	450,000.00	-	522,023.00	72,023.00
Section D: Special Items of General Revenue Anticipated				
None	-		-	-
Total Section D: Special Items of General Revenue Anticipated	-	-	-	-
Section E: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government				
Services - Additional Revenues				
Fire Prevention Inspection Fees	259,000.00		262,720.00	3,720.00
Total Section E: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government	259,000.00	-	262,720.00	3,720.00
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Recycling Tonnage Grant	13,820.07		13,820.07	-
Municipal Alliance on Alcoholism and Drug Abuse	16,319.00		16,319.00	-
Drunk Driving Enforcement Fund		6,908.49	6,908.49	-
EDA Boat Ramp		689,115.00	689,115.00	-
Assistance to Fire Fighter Homeland Security		81,715.00	81,715.00	-
Clean Communities Program		50,889.58	50,889.58	-
Community Development Block Grant - Bayfront	130,000.00		130,000.00	-
Safe and Secure		30,000.00	30,000.00	-
CDBG Economic Development Plan		50,000.00	50,000.00	-
Sustainable Jersey Small Grant		2,000.00	2,000.00	-
Federal Bullet Proof Vests		4,840.00	4,840.00	-
State Body Armor Replacement Fund		3,226.75	3,226.75	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	160,139.07	918,694.82	1,078,833.89	-

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section G: Other Special Items				
Atlantic County Debt Service Aid - 800MHz System	28,415.32			(28,415.32)
Minature Golf Receipts	20,000.00		20,000.00	-
Total Section G: Other Special Items	48,415.32	-	20,000.00	(28,415.32)
Total Miscellaneous Revenues:	3,897,439.39	918,694.82	4,989,173.20	173,038.99
Receipts from Delinquent Taxes	450,000.00		478,099.19	28,099.19
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	22,617,731.98		23,318,894.31	701,162.33
Addition to Local District School Tax	966,222.50		966,222.50	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	23,583,954.48	-	24,285,116.81	701,162.33
Budget Totals	30,481,393.87	918,694.82	32,302,389.20	902,300.51
Non- Budget Revenues:				
Other Non- Budget Revenues:	-	-	359,458.66	359,458.66
	30,481,393.87	918,694.82	32,661,847.86	1,261,759.17

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	56,553,618.23
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Less: Reserve for Tax Appeals Pending	-
---------------------------------------	---

Net Revenue from Collections	56,553,618.23
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Allocated to:

School, County and Other Taxes	33,567,342.00
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Balance for Support of Municipal Budget Appropriations	22,986,276.23
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Increased by:

Appropriation "Reserved for Uncollected Taxes"	1,298,840.58
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Amount for Support of Municipal Budget Appropriations	24,285,116.81
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	478,099.19	
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Tax Title Lien Collections	-	
----------------------------	---	--

Total Receipts from Delinquent Taxes	478,099.19
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Tax Collector Receipts	10,524.54	
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Administrative Fee - Senior Citizens and Veterans Deductions	2,311.22	
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Restitution	1,549.00	
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Zoning Fees	6,500.00	
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Street Opening Permits	17,050.00	
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Auction Proceeds - Sale of City Property	24,427.33	
--	-----------	--

Special Events Permits	4,825.00	
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Dune Maintenance Permits	2,700.00	
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Dog Park Permits	2,455.00	
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Horseback Riding Permits	800.00	
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Copy/Notary Fees	2,167.70	
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Bulkhead Permits	10,824.00	
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List of Owners	610.00	
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Community Center Lease	10,138.33	
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Demolition Reimbursement	130,021.70	
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NSF Fees	220.00	
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Homestead Benefit	679.80	
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Prior Year Revenue Adjustment	9,857.28	
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Sidewalk Permits	13,600.00	
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Brigantine BOE Reimbursement	20,951.00	
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Cancellation of Old Outstanding Checks	23,270.61	
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Water Tower Donations	12,800.00	
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Recycling Revenue	3,094.90	
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Interest on Investments	13,999.29	
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Miscellaneous	34,081.96	
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Total Miscellaneous Revenue Not Anticipated:	359,458.66
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**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
General Administration						
Salaries and Wages	\$ 112,000.00	112,000.00	110,541.86		1,458.14	-
Other Expenses	31,400.00	26,400.00	17,136.68	2,459.27	6,804.05	-
Mayor and Council						
Salaries and Wages	37,350.00	37,350.00	35,922.01		1,427.99	-
Other Expenses	19,000.00	19,000.00	5,689.67	60.90	13,249.43	-
Municipal Clerk						
Salaries and Wages	84,200.00	84,200.00	79,756.67		4,443.33	-
Other Expenses	45,000.00	45,000.00	16,517.63	3,938.96	24,543.41	-
Financial Administration						
Salaries and Wages	163,600.00	163,600.00	156,612.18		6,987.82	-
Other Expenses	52,700.00	52,700.00	30,405.49	14,184.84	8,109.67	-
Audit Services						
Other Expenses	45,000.00	45,000.00	40,278.00		4,722.00	-
Revenue Administration (Tax Collector)						
Salaries and Wages	118,300.00	118,300.00	113,182.92		5,117.08	-
Other Expenses	26,305.00	26,305.00	21,630.81	1,236.51	3,437.68	-
Tax Assessment Administration						
Salaries and Wages	184,000.00	184,000.00	139,103.64		44,896.36	-
Other Expenses	20,300.00	20,300.00	19,291.08	981.54	27.38	-
Legal Services						
Other Expenses	425,000.00	422,500.00	331,809.64	2,187.50	88,502.86	-
Engineering Services and Costs						
Salaries and Wages	25,000.00	15,000.00	12,037.09		2,962.91	-
Other Expenses	125,000.00	130,000.00	54,767.31	73,603.54	1,629.15	-
Emergency Medical Services - Billing						
Other Expenses	22,000.00	22,000.00	13,533.35	3,166.37	5,300.28	-
Ethics Board						
Other Expenses	100.00	100.00	-		100.00	-
Municipal Court						
Salaries and Wages	148,000.00	150,500.00	148,763.68		1,736.32	-
Other Expenses	16,000.00	16,000.00	8,775.41	775.66	6,448.93	-
Public Defender						
Other Expenses	8,000.00	9,000.00	8,517.15		482.85	-
<b>LAND USE ADMINISTRATION</b>						
Planning Board						
Salaries and Wages	12,000.00	12,000.00	10,238.54		1,761.46	-
Other Expenses	43,000.00	43,000.00	32,803.14	5,704.56	4,492.30	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>INSURANCE</b>						
General Liability and Other Insurance	245,500.00	245,500.00	187,840.56		57,659.44	-
Workers Compensation Insurance	399,795.20	399,795.20	399,795.20		-	-
Employee Group Health	2,311,498.00	2,216,498.00	2,061,467.86		155,030.14	-
Health Benefits Waiver						
Salaries and Wages	100,000.00	110,000.00	107,688.00		2,312.00	-
<b>PUBLIC SAFETY</b>						
Fire Department						
Salaries and Wages	3,575,000.00	3,397,000.00	3,344,704.66		52,295.34	-
Other Expenses	194,000.00	239,000.00	179,243.07	58,110.55	1,646.38	-
Police Department						
Salaries and Wages	4,450,000.00	4,450,000.00	4,355,823.50		94,176.50	-
Other Expenses	150,000.00	150,000.00	77,387.77	39,983.21	32,629.02	-
Office of Emergency Management						
Salaries and Wages	7,500.00	4,500.00	2,947.47		1,552.53	-
Other Expenses	15,000.00	15,000.00	10,882.33	3,053.07	1,064.60	-
<b>PUBLIC WORKS</b>						
Streets and Roads Maintenance						
Salaries and Wages	560,000.00	510,000.00	498,338.22		11,661.78	-
Other Expenses	110,000.00	165,000.00	108,740.91	38,375.69	17,883.40	-
Snow Removal - Contractual	30,000.00	23,900.00	23,877.41		22.59	-
Solid Waste Collection						
Other Expenses	1,340,000.00	1,295,000.00	1,237,021.41		57,978.59	-
Recycling Program						
Salaries and Wages	60,375.00	35,375.00	34,379.50		995.50	-
Other Expenses	13,500.00	13,500.00	2,434.15		11,065.85	-
Department of Public Works						
Salaries and Wages	153,000.00	153,000.00	152,569.58		430.42	-
Other Expenses	14,000.00	14,000.00	4,588.01	236.11	9,175.88	-
Public Buildings and Grounds						
Salaries and Wages	560,800.00	628,800.00	627,137.43		1,662.57	-
Other Expenses	264,000.00	306,000.00	271,260.60	25,807.74	8,931.66	-
Demolition						
Other Expenses	75,000.00	75,000.00	3,300.00		71,700.00	-
Vehicle Maintenance						
Salaries & Wages	81,000.00	81,000.00	80,044.56		955.44	-
Other Expenses	148,500.00	138,500.00	68,904.54	31,840.76	37,754.70	-
<b>HEALTH AND HUMAN SERVICES</b>						
Dog Regulation						
Other Expenses	18,500.00	18,500.00	13,200.00	1,200.00	4,100.00	-



**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>PARKS AND RECREATION</b>						
Beach Patrol and Maintenance						
Salaries and Wages	761,000.00	731,000.00	730,502.72		497.28	-
Other Expenses	71,500.00	101,500.00	64,644.79	28,097.71	8,757.50	-
Beach Fee Program						
Salaries and Wages	150,000.00	117,000.00	112,742.00		4,258.00	-
Other Expenses	21,600.00	38,600.00	30,421.92	7,263.94	914.14	-
Parks and Playgrounds						
Salaries and Wages	265,000.00	281,000.00	265,375.97		15,624.03	-
Other Expenses	45,725.00	45,725.00	31,487.75	5,775.00	8,462.25	-
Cultural Arts						
Other Expenses	5,000.00	5,000.00	5,000.00		-	-
Grant Coordinator						
Other Expenses	45,000.00	45,000.00	23,669.50		21,330.50	-
<b>UNIFORM CONSTRUCTION CODE</b>						
Construction Official						
Salaries and Wages	346,000.00	341,000.00	330,252.62		10,747.38	-
Other Expenses	16,800.00	16,800.00	10,029.82	484.92	6,285.26	-
<b>UNCLASSIFIED</b>						
Accumulated Leave Compensation	500,000.00	662,000.00	662,000.00		-	-
Maintenance Agreements - Contractual	150,000.00	190,000.00	186,565.69		3,434.31	-
Snow Storm Reserve	100,000.00	131,100.00	131,100.00		-	-
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electric	275,000.00	300,000.00	298,179.13		1,820.87	-
Street Lighting	205,000.00	180,000.00	148,675.99		31,324.01	-
Telephone	95,000.00	95,000.00	94,981.58		18.42	-
Gas	60,000.00	60,000.00	35,910.77		24,089.23	-
Fuel	195,000.00	130,000.00	71,847.52		58,152.48	-
Cable	10,000.00	10,000.00	7,952.96		2,047.04	-
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>19,957,848.20</b>	<b>19,919,848.20</b>	<b>18,502,231.42</b>	<b>348,528.35</b>	<b>1,069,088.43</b>	<b>-</b>
Contingent	500.00	500.00	100.00		400.00	-
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>19,958,348.20</b>	<b>19,920,348.20</b>	<b>18,502,331.42</b>	<b>348,528.35</b>	<b>1,069,488.43</b>	<b>-</b>
Detail:						
Salaries and Wages	11,954,125.00	11,716,625.00	11,448,664.82	-	267,960.18	-
Other Expenses	8,004,223.20	8,203,723.20	7,053,666.60	348,528.35	801,528.25	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
Deficit - Golf Course Utility	341,750.00	361,750.00	352,707.34	-	-	9,042.66
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	508,867.00	508,867.00	508,867.00		-	-
Social Security System (O.A.S.I.)	925,000.00	910,000.00	873,867.10		36,132.90	-
Police and Firemen's Retirement System	1,552,045.00	1,552,045.00	1,552,045.00		-	-
Unemployment Compensation Insurance	50,000.00	50,000.00	17,167.69		32,832.31	-
Defined Contribution Retirement Program	5,000.00	5,000.00	3,281.14		1,718.86	-
Lifeguard Pension	20,000.00	20,000.00	20,000.00		-	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	3,402,662.00	3,407,662.00	3,327,935.27	-	70,684.07	9,042.66
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	23,361,010.20	23,328,010.20	21,830,266.69	348,528.35	1,140,172.50	9,042.66
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Insurance						
Employee Group Health	38,502.00	38,502.00			38,502.00	-
Reserve for Tax Appeals	75,000.00	75,000.00	75,000.00		-	-
Fire Prevention Inspections						
Salaries and Wages	252,000.00	285,000.00	282,319.79		2,680.21	-
Other Expenses	7,000.00	7,000.00	4,501.21		2,498.79	-
	372,502.00	405,502.00	361,821.00	-	43,681.00	-
(A) Public and Private Programs Off-Set by Revenues						
Municipal Alliance - County Share	16,319.00	16,319.00			-	-
Municipal Alliance	4,080.00	4,080.00			-	-
Recycling Tonnage Grant	13,820.07	13,820.07			-	-
Drunk Driving Enforcement Fund						
EDA Boat Ramp		6,908.49	6,908.49		-	-
Clean Communities Program		689,115.00	689,115.00		-	-
Assistance to Fire Fighter Homeland Security		50,889.58	50,889.58		-	-
DCA - Community Development Block Grant		81,715.00	81,715.00		-	-
Safe and Secure	130,000.00	130,000.00	130,000.00		-	-
CDBG Economic Development Plan		30,000.00	30,000.00		-	-
Sustainable Jersey Small Grant		50,000.00	50,000.00		-	-
		2,000.00	2,000.00		-	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
Federal Bullet Proof Vests		4,840.00	4,840.00	-	-
State Body Armor Replacement Fund		3,226.75	3,226.75	-	-
Matching Funds to Grants	15,000.00	15,000.00	4,085.00	10,915.00	-
Total Public and Private Programs Off-Set by Revenues	179,219.07	1,097,913.89	1,086,998.89	-	-
Total Operations - Excluded from "CAPS"	551,721.07	1,503,415.89	1,448,819.89	-	-
Detail:					
Salaries and Wages	252,000.00	285,000.00	282,319.79	-	-
Other Expenses	299,721.07	1,218,415.89	1,166,500.10	-	-
(C) Capital Improvements					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-
Total Capital Improvements	100,000.00	100,000.00	100,000.00	-	-
(D) Debt Service					
Payment of Bond Principal	2,290,000.00	2,290,000.00	2,290,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	816,000.00	816,000.00	816,000.00	-	-
Interest on Bonds	550,037.50	550,037.50	550,037.50	-	-
Interest on Notes	24,000.00	24,000.00	23,574.33	-	425.67
Green Trust Loan Program:					
Loan Repayments for Principal & Interest	41,837.02	41,837.02	41,837.02	-	-
Total Debt Service	3,721,874.52	3,721,874.52	3,721,448.85	-	425.67
(E) Deferred Charges - Municipal - Excluded from "CAPS"					
Emergency Authorization	8,160.00	8,160.00	8,160.00	-	-
Special Emergency Authorization- 5 Years	262,241.00	262,241.00	262,241.00	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	270,401.00	270,401.00	270,401.00	-	-
(I) Local School District Purposes - Excluded from "CAPS"					
Type I District School Debt Service					
Payment of Bond Principal	550,000.00	550,000.00	550,000.00	-	-
Payment of Bond Anticipation Notes	395,000.00	395,000.00	395,000.00	-	-
Interest on Bonds	138,937.50	138,937.50	138,937.50	-	-
Interest on Notes	76,000.00	76,000.00	75,788.88	-	211.12
(J) Deferred Charges and Statutory Expenditures - Excluded from "CAPS"					
Deferred Charge Ord #08-15	17,609.00	17,609.00	17,609.00	-	-

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(K) TOTAL MUNICIPAL APPROPRIATIONS FOR LOCAL SCHOOL DISTRICT PURPOSES EXCLUDED FROM "CAPS"	1,177,546.50	1,177,546.50	1,177,335.38	-	-	211.12
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	5,821,543.09	6,773,237.91	6,718,005.12	-	54,596.00	636.79
SUBTOTAL GENERAL APPROPRIATIONS	29,182,553.29	30,101,248.11	28,548,271.81	348,528.35	1,194,768.50	9,679.45
(M) Reserve for Uncollected Taxes	1,298,840.58	1,298,840.58	1,298,840.58	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 30,481,393.87	31,400,088.69	29,847,112.39	348,528.35	1,194,768.50	9,679.45
Budget Appropriations by 40A:4-87 Emergency Appropriation		30,481,393.87 918,694.82			Cancelled Overexpended	9,679.45 -
		<u>31,400,088.69</u>				<u>9,679.45</u>
Reserve for Uncollected Taxes			1,298,840.58			
Federal and State Grants			1,086,998.89			
Deferred Charges			612,151.00			
Reserve for Tax Appeals			75,000.00			
Disbursements			26,774,121.92			
			<u>29,847,112.39</u>			

**EXHIBIT - B**  
**TRUST FUND**



**TRUST FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash and Investments	\$ 3,349.20	3,605.40
Due State of New Jersey	38.40	-
	<u>3,387.60</u>	<u>3,605.40</u>
<u>Other Funds</u>		
Cash and Investments	2,536,555.40	2,252,062.93
Due Current Fund	264.00	5,237.55
	<u>2,536,819.40</u>	<u>2,257,300.48</u>
	<u>\$ 2,540,207.00</u>	<u>2,260,905.88</u>

**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>		
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ -	136.80
Due to Current Fund	3,387.60	3,459.00
Due State of New Jersey	-	9.60
	<u>3,387.60</u>	<u>3,605.40</u>
<u>Other Funds</u>		
Due to Current Fund	100.00	1,488.00
Reserve for Accumulated Absences	289,685.24	195,813.42
Reserve for Special Law Enforcement	44,808.86	46,683.86
Reserve for POAA	1,708.00	1,444.00
Reserve for Ambulance	-	6,151.00
Reserve for Engineering Escrow	118,684.34	107,886.50
Reserve for Lifeguard Pension	568,327.34	572,885.42
Reserve for Recreation	304,947.38	277,645.97
Reserve for Cul Art Comm Programs	235.37	235.37
Reserve for Recreation Green Team	8,496.54	2,789.15
Reserve for Sea Wall Benches	-	3,219.00
Reserve for COAH	467,886.54	344,347.07
Reserve for Health Insurance Trust	1.63	1.63
Reserve for Tax Title Lien Redemptions & Premiums	580,574.66	658,314.42
Reserve for Due to Third Parties Eng Escrow	20,594.25	20,594.25
Reserve for Donations - Emergency Management Supplies	-	5,001.42
Reserve for Donations - Water Tower	-	12,800.00
Reserve for Storm Expenses	118,291.15	-
Reserve for Municipal Alliance Donations	12,478.10	-
	<u>2,536,819.40</u>	<u>2,257,300.48</u>
	<u>\$ 2,540,207.00</u>	<u>2,260,905.88</u>



**EXHIBIT - C**  
**GENERAL CAPITAL FUND**



**GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	2016	2015
<u>ASSETS</u>		
Cash	\$ 3,802,468.70	8,909,408.76
Deferred Charges to Future Taxation -		
Funded	20,349,017.36	23,223,259.54
Unfunded	11,043,027.99	12,444,609.00
Interfunds and Receivables		
Federal and State Grant Receivable	186,376.45	186,376.45
Due from Water-Sewer Utility Capital	-	50,000.00
Current Fund	17,609.00	-
	<u>35,398,499.50</u>	<u>44,813,653.75</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds Payable	15,895,000.00	18,185,000.00
School Type I Bonds Payable	4,100,000.00	4,650,000.00
Green Trust Loan Payable	354,017.36	388,259.54
Bond Anticipation Notes	3,771,000.00	4,982,000.00
Improvement Authorizations:		
Funded	2,463,436.84	6,582,981.45
Unfunded	7,046,086.12	8,215,773.19
Reserve for Encumbrances	433,818.61	805,049.40
Reserve for Bonds and Notes	194,024.60	194,024.60
Reserve for Future Capital Project	439,555.00	439,555.00
Reserve for Payment of School Debt	202,413.40	-
Capital Improvement Fund	253,500.00	153,500.00
Fund Balance	245,647.57	217,510.57
	<u>\$ 35,398,499.50</u>	<u>44,813,653.75</u>

There were bonds and notes authorized but not issued at December 31,

2015	7,462,609.00
2016	7,272,027.99

**GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
Beginning Balance January 1	\$ 217,510.57	167,265.57
Increased by:		
Bond Premium	28,137.00	50,245.00
Decreased by:		
None	-	-
Ending Balance December 31	<u>\$ 245,647.57</u>	<u>217,510.57</u>

**EXHIBIT - D**  
**WATER AND SEWER UTILITY FUND**



**WATER AND SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 3,069,290.37	2,188,327.70
Interfunds and Receivables		
Due from Federal and State Grant Fund	-	8,996.81
Due from Water/Sewer Capital Fund	-	335,430.04
	<u>3,069,290.37</u>	<u>2,532,754.55</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	526,265.54	330,010.63
	<u>526,265.54</u>	<u>330,010.63</u>
Total Operating Fund	<u>3,595,555.91</u>	<u>2,862,765.18</u>
Capital Fund:		
Cash	141,352.82	435,380.47
New Jersey EIT Receivable	217,245.00	1,121,707.00
Fixed Capital	36,498,122.76	36,498,122.76
Fixed Capital - Authorized and Uncompleted	7,432,176.85	7,432,176.85
Total Capital Fund	<u>44,288,897.43</u>	<u>45,487,387.08</u>
	<u>\$ 47,884,453.34</u>	<u>48,350,152.26</u>

**WATER AND SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	2016	2015
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 498,464.43	680,866.88
Reserve for Encumbrances	132,749.19	47,262.73
Overpaid Rents	920,848.50	1,160,412.22
Accrued Interest on Bonds and Notes	82,839.58	95,817.71
Reserve for Insurance Proceeds	5,500.00	5,500.00
	<u>1,640,401.70</u>	<u>1,989,859.54</u>
Reserve for Receivables	526,265.54	330,010.63
Fund Balance	1,428,888.67	542,895.01
	<u>3,595,555.91</u>	<u>2,862,765.18</u>
Total Operating Fund		
Capital Fund:		
Encumbrances Payable	519,187.65	987,720.59
Serial Bonds Payable	1,900,000.00	2,335,000.00
NJEIT Bonds & Loans	5,938,906.17	6,605,365.12
Interfunds:		
Due to General Capital	-	50,000.00
Due to Water/Sewer Utility Operating	-	335,430.04
Improvement Authorizations:		
Funded	156,782.68	161,742.68
Unfunded	3,716,794.49	4,056,361.16
Reserve for Amortization	31,986,876.44	30,885,417.49
Deferred Reserve for Amortization	70,350.00	70,350.00
Fund Balance	-	-
	<u>44,288,897.43</u>	<u>45,487,387.08</u>
Total Capital Fund		
	<u>\$ 47,884,453.34</u>	<u>48,350,152.26</u>

There were bonds and notes authorized but not issued at December 31,

2015	4,034,167.00
2016	4,034,167.00



**WATER AND SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ -	330,313.10
Water and Sewer Rents	5,718,133.19	5,800,611.61
Miscellaneous	164,343.97	58,446.61
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	669,342.76	513,625.33
Cancellation of Accounts Payable	30,212.80	-
Total Income	<u>6,582,032.72</u>	<u>6,702,996.65</u>
Expenditures		
Operations:		
Salaries and Wages	1,100,000.00	1,200,000.00
Other Expenses	3,240,000.00	3,413,000.00
Debt Service	1,263,539.06	1,451,886.98
Deferred Charges and Statutory Expenditures	92,500.00	163,613.10
Total Expenditures	<u>5,696,039.06</u>	<u>6,228,500.08</u>
Excess in Revenue	<u>885,993.66</u>	<u>474,496.57</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Excess in Operations	<u>885,993.66</u>	<u>474,496.57</u>
Fund Balance January 1	<u>542,895.01</u>	<u>398,711.54</u>
	1,428,888.67	873,208.11
Decreased by:		
Utilization as Anticipated Revenue	<u>-</u>	<u>330,313.10</u>
Fund Balance December 31	<u>\$ 1,428,888.67</u>	<u>542,895.01</u>

**WATER AND SEWER UTILITY CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
Beginning Balance January 1	\$ -	-
Increased by:		
None	-	-
Decreased by:		
None	-	-
Ending Balance December 31	\$ <u>-</u>	<u>-</u>

**WATER AND SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Anticipated Budget	Realized	Excess or (Deficit)
Anticipated Revenue:			
Water and Sewer Rents	\$ 5,723,500.00	5,718,133.19	(5,366.81)
Miscellaneous	45,000.00	164,343.97	119,343.97
	<u>\$ 5,768,500.00</u>	<u>5,882,477.16</u>	<u>113,977.16</u>
Analysis of Realized Revenue:			
Water and Sewer Rents			
Accounts Receivable	5,718,133.19		
Total Water & Sewer Rents		<u>5,718,133.19</u>	
Miscellaneous Revenue			
Penalties and Interest	31,456.67		
Water/Sewer Connections	28,051.00		
Water Reading Fees	15,065.00		
Fire Sprinkler Fee	14,935.00		
Shut Off Notice Fee	1,525.00		
Meter Parts/Set Up	69,017.98		
Disconnection Fee	125.00		
Miscellaneous	4,168.32		
Total Miscellaneous		<u>164,343.97</u>	

**WATER AND SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Operations:					
Salaries and Wages	\$ 1,100,000.00	1,100,000.00	913,034.97	186,965.03	-
Other Expenses	3,240,000.00	3,240,000.00	2,810,245.72	132,749.19	-
	<u>4,340,000.00</u>	<u>4,340,000.00</u>	<u>3,723,280.69</u>	<u>132,749.19</u>	<u>-</u>
Debt Service:					
Payment of Bond Principal	1,120,000.00	1,120,000.00	1,101,458.95	0.00	18,541.05
Interest on Bonds	216,000.00	216,000.00	162,080.11	-	53,919.89
	<u>1,336,000.00</u>	<u>1,336,000.00</u>	<u>1,263,539.06</u>	<u>0.00</u>	<u>72,460.94</u>
Deferred Charges and Statutory Expenditures:					
Social Security System (O.A.S.I.)	85,000.00	85,000.00	78,005.69	6,994.31	
Unemployment Compensation Insurance	7,500.00	7,500.00		7,500.00	
	<u>92,500.00</u>	<u>92,500.00</u>	<u>78,005.69</u>	<u>14,494.31</u>	<u>-</u>
	<u>5,768,500.00</u>	<u>5,768,500.00</u>	<u>5,064,825.44</u>	<u>132,749.19</u>	<u>72,460.94</u>
		Cash Disbursed \$	5,077,803.57	Cancelled	72,460.94
		Accrued Interest	(12,978.13)	Overexpended	-
			<u>5,064,825.44</u>		<u>72,460.94</u>

**EXHIBIT - E**  
**GOLF COURSE UTILITY FUND**



**GOLF COURSE UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Operating Fund:		
Cash and Investments	\$ 35,626.73	215,416.68
Total Operating Fund	<u>35,626.73</u>	<u>215,416.68</u>
Capital Fund:		
Cash and Investments	55,745.04	66,843.36
Fixed Capital:		
Completed	5,229,283.54	5,229,283.54
Authorized and Uncompleted	351,716.46	351,716.46
Total Capital Fund	<u>5,636,745.04</u>	<u>5,647,843.36</u>
	<u>\$ 5,672,371.77</u>	<u>5,863,260.04</u>

**GOLF COURSE UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**AS OF DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	\$ 4,775.46	14,750.60
Encumbrances Payable	-	2,144.49
Accrued Interest on Bonds and Notes	14,398.33	20,088.30
Due Current Fund	9,042.66	117,343.01
	<u>28,216.45</u>	<u>154,326.40</u>
 Fund Balance	 <u>7,410.28</u>	 <u>61,090.28</u>
Total Operating Fund	<u>35,626.73</u>	<u>215,416.68</u>
 Capital Fund:		
Serial Bonds Payable	720,000.00	1,070,000.00
Bond Anticipation Notes Payable	719,000.00	748,000.00
Contracts Payable	-	1,747.86
Improvement Authorizations:		
Funded	55,718.58	55,599.04
Unfunded	950.00	950.00
Reserve for Amortization	4,127,000.00	3,748,000.00
Reserve for Deferred Amortization	14,050.00	14,050.00
Reserve for Payment of Debt Service	7.47	2,477.47
Fund Balance	18.99	7,018.99
 Total Capital Fund	 <u>5,636,745.04</u>	 <u>5,647,843.36</u>
	<u>\$ 5,672,371.77</u>	<u>5,863,260.04</u>

There were bonds and notes authorized but not issued at December 31

2015	950.00
2016	950.00



**GOLF COURSE UTILITY FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES**  
**IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2016	2015
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 53,680.00	143,000.00
Golf Course Charges	794,167.68	981,320.80
Miscellaneous	10,778.93	25,027.95
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	12,502.41	68,921.89
Reserve for Payment of Debt	2,470.00	39,000.00
Golf Course Capital Fund Balance	7,000.00	-
Deficit (General Budget)	352,707.34	192,656.99
Total Income	<u>1,233,306.36</u>	<u>1,449,927.63</u>
Expenditures:		
Operating	811,350.00	974,300.00
Debt Service	419,861.36	418,627.63
Deferred Charges and Statutory Expenditures	2,095.00	57,000.00
Total Expenditures	<u>1,233,306.36</u>	<u>1,449,927.63</u>
Excess/(Deficit) in Revenue	<u>-</u>	<u>-</u>
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Excess in Operations	-	-
Fund Balance January 1	<u>61,090.28</u>	<u>204,090.28</u>
Decreased By:		
Utilization as Anticipated Revenue	53,680.00	143,000.00
Balance December 31	<u>\$ 7,410.28</u>	<u>61,090.28</u>

**GOLF COURSE UTILITY CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
Beginning Balance January 1	\$ 7,018.99	7,018.99
Increased by:		
None	-	-
Decreased by:		
Appropriation to 2016 Budget Revenue	7,000.00	-
Ending Balance December 31	\$ <u>18.99</u>	<u>7,018.99</u>

**GOLF COURSE UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Anticipated Budget	Realized	Excess or (Deficit)
Operating Fund Balance Anticipated	\$ 53,680.00	53,680.00	-
Anticipated Revenue:			
Golf Course Charges	981,000.00	794,167.68	(186,832.32)
Reserve for Payment of Debt	2,470.00	2,470.00	-
Golf Course Capital Fund Balance	7,000.00	7,000.00	-
Deficit (General Budget)	341,750.00	352,707.34	10,957.34
Miscellaneous		10,778.93	10,778.93
Total Revenue	\$ <u>1,385,900.00</u>	<u>1,220,803.95</u>	<u>(165,096.05)</u>

**GOLF COURSE UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
Salaries and Wages	\$ 18,000.00	17,900.00	17,538.63	1.37	360.00
Other Expenses	4,000.00	4,000.00		3,810.00	190.00
ACIA Contractual	940,000.00	940,000.00	789,048.17	951.83	150,000.00
	<u>962,000.00</u>	<u>961,900.00</u>	<u>806,586.80</u>	<u>4,763.20</u>	<u>150,550.00</u>
Debt Service:					
Payment on Bond Principal	350,000.00	350,000.00	350,000.00		-
Payment of BANs & Capital Notes	29,000.00	29,000.00	29,000.00		-
Interest on Bonds	31,000.00	31,000.00	29,346.87		1,653.13
Interest on Notes	11,500.00	11,600.00	11,514.49		85.51
	<u>421,500.00</u>	<u>421,600.00</u>	<u>419,861.36</u>	<u>-</u>	<u>1,738.64</u>
Deferred Charges and Statutory Expenditures:					
Social Security System (O.A.S.I.)	1,650.00	1,650.00	1,344.23	0.77	305.00
Unemployment Compensation Insurance	750.00	750.00	738.51	11.49	
	<u>2,400.00</u>	<u>2,400.00</u>	<u>2,082.74</u>	<u>12.26</u>	<u>305.00</u>
	<u>\$ 1,385,900.00</u>	<u>1,385,900.00</u>	<u>1,228,530.90</u>	<u>4,775.46</u>	<u>152,593.64</u>
Adopted Budget	1,385,900.00	1,385,900.00	1,234,220.87	Disbursed	
		<u>1,385,900.00</u>	(5,689.97)	Accrued Interest	
			<u>1,228,530.90</u>		

**EXHIBIT - F**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**



**CITY OF BRIGANTINE  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
General Fixed Assets:		
Land, Buildings and Improvements	\$ 54,465,744.91	54,664,970.80
Machinery and Equipment	<u>10,949,942.66</u>	<u>10,943,547.66</u>
Total General Fixed Assets	<u><u>65,415,687.57</u></u>	<u><u>65,608,518.46</u></u>
Investment in General Fixed Assets	\$ <u><u>65,415,687.57</u></u>	<u><u>65,608,518.46</u></u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

**A. Reporting Entity**

The City of Brigantine is an island community in the County of Atlantic, State of New Jersey. The City comprises an area of approximately 6.39 square miles with a population according to the 2010 census of 9,450.

The City is incorporated and operates under a Mayor - Council form of government. The Mayor is the chief officer of the City. The Council exercises the legislative power. The Manager oversees the day-to-day operation of the City. The Mayor and Council members are elected by the voters and the Manager is appointed by the Mayor and Council.

Except as noted below, the financial statements of the City of Brigantine include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the City of Brigantine, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has no component units.

**B. Description of Funds**

The accounting policies of the City of Brigantine conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the City of Brigantine accounts for its financial transactions through the following separate funds:

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

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

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

Water and Sewer Operating and Capital Funds -- account for the operations of the water and sewer utility and acquisition of capital facilities of the municipally owned water and sewer utility.

Golf Course Utility Operating and Capital Funds -- account for the operations and acquisition of capital facilities of the municipally owned golf course.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.



**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

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

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

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year 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. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

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

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

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

General Fixed Assets -- The City has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$5,000.00 are capitalized.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

No depreciation has been provided for in the financial statements.

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

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

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

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the City of Brigantine School District and the County of Atlantic taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the City of Brigantine to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Utility Charges – The City operates a water and sewer utility fund. Rates are determined by ordinance and changed as necessary. Water and Sewer charges are based on flat fees and usage based on the type of City. Water charges are billed semi-annually and due June and December 1<sup>st</sup>. Sewer charges are billed semi-annually and due January and July 1<sup>st</sup>.

Interest on Delinquent Utility Charges – It is the policy of the City to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**D. Required Financial Statements**

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

**E. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the City's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**F. Recent Accounting Pronouncements Not Yet Effective**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016 establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the City's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the City is no expected to be significant.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosure". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the City's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the City's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the City's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the City's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No.73". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the City's financial reporting, however will affect the disclosure of pension related items.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**NOTE 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the City is required to establish a reserve for uncollected taxes. The 2016 and 2015 statutory budgets included a reserve for uncollected taxes in the amount of \$1,298,840.58 and \$1,216,079.91. To balance the budget, the City is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2016 and 2015 statutory budgets was \$2,550,000.00 and \$1,593,000.00. In addition, the City operates a self-liquidating water and sewer utility and golf course utility. Under New Jersey Statutes a separate budget for each utility must be adopted concurrently with the operating budget of the City. The utility budgets must be a balanced cash basis budget with fund balance being used to balance the budget. There was no fund balance budgeted to balance the water and sewer budget in 2016 and \$330,313.10 budgeted in 2015. There was \$53,680.00 fund balance budgeted to balance the golf course utility budget in 2016 and \$143,000.00 budgeted in 2015.

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2016 and 2015, the following budget insertions were approved:

<u>Budget Category</u>	<u>2016</u>	<u>2015</u>
Clean Communities Program	\$ 50,889.58	44,513.47
Municipal Alliance on Alcoholism and Drug Abuse		32,638.00
Drunk Driving Enforcement	6,908.49	
EDA Boat Ramp	689,115.00	
Safe and Secure	30,000.00	
CDBG - Economic Development Plan	50,000.00	
COPS in Shops		1,600.00
Community Development Block Grant - Bayfront		50,000.00
Community Development Block Grant - Brigantine Blvd.		50,000.00
Click it or Ticket - 2015		4,000.00
Sustainable Jersey Small Grant	2,000.00	10,000.00
NJDEP National Fish & Wildlife		125,000.00
Assistance to Firefighters	81,715.00	268,096.00
Federal Bullet Proof Vests	4,840.00	
State Body Armor Replacement Fund	3,226.75	

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by City Council. The following more significant budget transfers were approved in the 2016 and 2015 calendar years:

<u>Budget Category</u>	<u>2016</u>	<u>2015</u>
<u>Current Fund:</u>		
Legal Services		
Other Expenses		75,000.00
Engineering Services and Costs		
Salaries and Wages		(28,000.00)
Streets and Roads Maintenance		
Salaries and Wages	(50,000.00)	
Other Expenses	55,000.00	
Recycling Program		
Salaries and Wages	(25,000.00)	37,000.00
Public Buildings & Grounds		
Salaries and Wages	68,000.00	(130,000.00)
Other Expenses	42,000.00	
Insurance		
Employee Group Insurance	(95,000.00)	(111,000.00)
Beach Patrol and Maintenance		
Salaries and Wages	(30,000.00)	
Other Expenses	30,000.00	
Beach Fee Program		
Salaries and Wages	(33,000.00)	
Fire Prevention Inspections		
Salaries and Wages	33,000.00	
Solid Waste Collection		
Other Expenses	(45,000.00)	
Fire Department		
Salaries and Wages	(178,000.00)	
Other Expenses	45,000.00	
Accumulated Leave Compensation	162,000.00	
Maintenance Agreements - Contractual	40,000.00	
Snow Storm Reserve	31,100.00	
Utility Expenses and Bulk Purchases		
Fuel	(65,000.00)	
<u>Water Sewer Utility Operating Fund:</u>	None	None
<u>Golf Course Utility Operating Fund:</u>		
Operating		
Other Expenses	None	(32,700.00)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

The City may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. As of December 31, 2016, the City has three special emergency appropriations; \$850,000.00 for Preparation of Tax Map & Revaluation approved December 21, 2011, \$1,850,000.00 for Hurricane Sandy approved December 5, 2012 and \$588,385.00 for Contractual Severance Liability approved November 6, 2013. The unfunded balance of these special emergencies as of December 31, 2016 was \$359,918.20.

**NOTE 3: INVESTMENTS**

**Interest Rate Risk.** The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk.** New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk.** The City places no limit on the amount that they can invest in any one issuer.

**NOTE 4: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the City in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2016 and 2015, \$32,247.64 and \$358,109.05 of the City's bank balance of \$20,242,355.15 and \$24,036,862.23 was exposed to custodial credit risk.

**New Jersey Cash Management Fund –** During the year, the City participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Funds are not subject to custodial credit risk as defined above. At December 31, 2016 the City's deposits with the New Jersey Cash Management Fund were \$440,279.96.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**NOTE 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2016 and 2015:

	Balance 12/31/2014	Additions	Retirements/ Adjustments	Balance 12/31/2015
Land, Building and Improvements	\$ 54,390,009.77	274,961.03		54,664,970.80
Equipment and Machinery	8,974,385.58	2,109,245.93	(140,083.85)	10,943,547.66
	<u>63,364,395.35</u>	<u>2,384,206.96</u>	<u>(140,083.85)</u>	<u>65,608,518.46</u>

	Balance 12/31/2015	Additions	Retirements/ Adjustments	Balance 12/31/2016
Land, Building and Improvements	\$ 54,664,970.80	132,574.11	(331,800.00)	54,465,744.91
Equipment and Machinery	10,943,547.66	280,610.00	(274,215.00)	10,949,942.66
	<u>65,608,518.46</u>	<u>413,184.11</u>	<u>(606,015.00)</u>	<u>65,415,687.57</u>

**NOTE 6: SHORT-TERM OBLIGATIONS**

	Balance 12/31/14	Issued	Retired	Balance 12/31/15
Bond Anticipation Notes payable:				
General	\$ 7,698,000.00	4,982,000.00	7,698,000.00	4,982,000.00
Golf Course Utility	766,000.00	748,000.00	766,000.00	748,000.00
	<u>\$ 8,464,000.00</u>	<u>5,730,000.00</u>	<u>8,464,000.00</u>	<u>5,730,000.00</u>

	Balance 12/31/15	Issued	Retired	Balance 12/31/16
Bond Anticipation Notes payable:				
General	\$ 4,982,000.00	3,771,000.00	4,982,000.00	3,771,000.00
Golf Course Utility	748,000.00	719,000.00	748,000.00	719,000.00
	<u>\$ 5,730,000.00</u>	<u>4,490,000.00</u>	<u>5,730,000.00</u>	<u>4,490,000.00</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

The note was issued on December 3, 2015 and is due and payable on November 30, 2017 with interest at 2.00%. As of December 31, 2016 the City has authorized but not issued bonds in the amount of \$7,272,027.99, \$4,034,167.00, \$950.00 in the General Capital Fund, Water and Sewer Utility Capital Fund and Golf Course Utility Capital Fund respectively.

**NOTE 7: LONG TERM DEBT**

Long-term debt as of December 31, 2016 and 2015 consisted of the following:

	Balance 12/31/14	Issued	Retired	Balance 12/31/15	Amounts Due Within One Year
Bonds payable:					
General	\$ 19,380,000.00	6,850,000.00	3,395,000.00	22,835,000.00	2,840,000.00
Water Sewer Utility	2,975,000.00		640,000.00	2,335,000.00	435,000.00
Golf Course Utility	1,420,000.00		350,000.00	1,070,000.00	350,000.00
Total	23,775,000.00	6,850,000.00	4,385,000.00	26,240,000.00	3,625,000.00
Other liabilities:					
Loans Payable:					
General	421,827.00		33,567.46	388,259.54	34,242.18
Water Sewer Utility	5,737,043.74	1,484,067.00	615,745.62	6,605,365.12	666,458.95
Compensated Absences Payable	5,613,099.24		479,025.18	5,134,074.06	-
Total long-term liabilities	<u>\$ 35,546,969.98</u>	<u>8,334,067.00</u>	<u>5,513,338.26</u>	<u>38,367,698.72</u>	<u>4,325,701.13</u>
	Balance 12/31/15	Issued	Retired	Balance 12/31/16	Amounts Due Within One Year
Bonds payable:					
General	\$ 22,835,000.00		2,840,000.00	19,995,000.00	3,015,000.00
Water Sewer Utility	2,335,000.00		435,000.00	1,900,000.00	440,000.00
Golf Course Utility	1,070,000.00		350,000.00	720,000.00	360,000.00
Total	26,240,000.00	-	3,625,000.00	22,615,000.00	3,815,000.00
Other liabilities:					
Loans Payable:					
General	388,259.54		34,242.18	354,017.36	32,666.89
Water Sewer Utility	6,605,365.12		666,458.95	5,938,906.17	607,293.48
Compensated Absences Payable	5,134,074.06		1,331,514.82	3,802,559.24	-
Total long-term liabilities	<u>\$ 38,367,698.72</u>	<u>-</u>	<u>5,657,215.95</u>	<u>32,710,482.77</u>	<u>4,454,960.37</u>



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015  
(CONTINUED)**

**Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the City:**

\$5,250,000 General Obligation Bonds dated January 15, 2006 due in annual installments through January 15, 2018 bearing interest at various rates. The balance remaining as of December 31, 2016, is \$680,000.00.

\$8,150,000 General Obligation Bonds dated March 15, 2008 due in annual installments through January 15, 2019 bearing interest at various rates. The balance remaining as of December 31, 2016, is \$2,200,000.00.

\$9,000,000 General Obligation Bonds dated July 7, 2012 due in annual installments through July 15, 2024 bearing interest at various rates. The balance remaining as of December 31, 2016, is \$6,565,000.00.

\$6,850,000 General Obligation Bonds dated December 1, 2015 due in annual installments through December 1, 2024 bearing interest at various rates. The balance remaining as of December 31, 2016, is \$6,450,000.00.

\$400,000 Type I School Bond dated March 15, 2008, due in annual installments through January 15, 2016, bearing interest at various rates. There is no balance remaining as of December 31, 2016.

\$5,850,000 Type I School Bond dated July 7, 2012, due in annual installments through July 15, 2024, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$4,100,000.00.

\$72,803 Green Trust Loan dated 1997, due in annual installments through 2017, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2016, is \$2,241.13.

\$600,000 Green Trust Loan dated 2007, due in annual installments through March 16, 2027, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2016, is \$351,776.23.

**Outstanding bonds whose principal and interest are paid from the Water and Sewer Utility Operating Fund of the City:**

\$1,750,000 Water and Sewer Utility Bond dated January 15, 2005, due in annual installments through January 15, 2018, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$250,000.00.

\$1,800,000 Water and Sewer Utility Bond dated March 15, 2008, due in annual installments through January 15, 2020, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$620,000.00.

\$1,400,000 Water and Sewer Utility Bond dated July 17, 2012, due in annual installments through July 15, 2023, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$1,030,000.00.

\$480,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated November 5, 1999, due in annual installments through August 1, 2019, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$110,000.00.

\$635,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated October 15, 2001, due in annual installments through August 1, 2016, bearing interest at various rates. There is no balance remaining as of December 31, 2016.

\$70,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated October 15, 2001, due in annual installments through August 1, 2016, bearing interest at various rates. There is no balance remaining as of December 31, 2016.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

\$1,155,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated November 4, 2004, due in annual installments through August 1, 2019, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$315,000.00.

\$457,960 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated November 5, 1999, due in annual installments through August 1, 2019, bearing no interest rate. The balance remaining as of December 31, 2016, is \$71,885.44.

\$73,697 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated October 15, 2001, due in annual installments through August 1, 2016, bearing no interest rate. There is no balance remaining as of December 31, 2016.

\$1,212,500 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated November 4, 2004, due in annual installments through August 1, 2019, bearing no interest rate. The balance remaining as of December 31, 2016, is \$255,722.52.

\$325,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated March 10, 2010, due in annual installments through August 1, 2029, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$255,000.00.

\$931,500 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated March 10, 2010, due in annual installments through August 1, 2019, bearing no interest rate. The balance remaining as of December 31, 2016, is \$650,369.00.

\$2,335,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated February 2, 2010, due in annual installments through August 1, 2030, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$1,545,000.00.

\$2,512,650 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated February 2, 2011, due in annual installments through August 1, 2030, bearing no interest rate. The balance remaining as of December 31, 2016, is \$ 1,355,766.18.

\$435,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated May 28, 2015, due in annual installments through August 1, 2034, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$420,000.00.

\$1,049,067 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated May 28, 2015, due in annual installments through August 1, 2034, bearing no interest rate. The balance remaining as of December 31, 2016, is \$960,163.03.

**Outstanding bonds whose principal and interest are paid from the Golf Course Utility Fund of the City:**

\$4,000,000 Golf Course Utility Bond dated January 15, 2005, due in annual installments through January 15, 2018, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$720,000.00.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Year Ending December 31,	General Capital Fund	
	Principal	Interest
2017	3,047,666.89	609,569.08
2018	2,981,037.33	518,972.59
2019	2,751,661.17	419,148.75
2020	2,112,297.56	337,112.36
2021	2,112,946.74	266,863.18
2022-2026	7,324,937.41	483,812.19
2027	18,470.26	184.70
	<u>\$ 20,349,017.36</u>	<u>2,635,662.85</u>

Year Ending December 31,	Utility Capital Fund		Golf Course Utility Capital Fund	
	Principal	Interest	Principal	Interest
2017	1,047,293.48	186,025.00	360,000.00	21,600.00
2018	1,011,095.88	158,425.00	360,000.00	7,200.00
2019	951,088.29	131,880.00		
2020	622,854.23	107,500.00		
2021	552,854.23	93,600.00		
2022-2026	2,374,271.15	289,150.00		
2027-2031	1,007,728.58	65,800.00		
2032-2034	255,027.33	7,800.00		
	<u>\$ 7,822,213.17</u>	<u>1,040,180.00</u>	<u>720,000.00</u>	<u>28,800.00</u>

As of December 31, 2016 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$573,611.83, to the water and sewer utility budget was \$162,080.11 and to the golf course utility budget was \$40,861.36.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

<u>Summary of Municipal Debt</u>	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 24,120,017.36	28,205,259.54	27,499,827.00
Water/Sewer Utility - Bonds and Notes	7,838,906.17	8,940,365.12	8,712,043.74
Golf Course Utility - Bonds and Notes	1,439,000.00	1,818,000.00	2,186,000.00
Total Issued	<u>33,397,923.53</u>	<u>38,963,624.66</u>	<u>38,397,870.74</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	7,272,027.99	7,462,609.00	7,645,000.00
Water/Sewer Utility - Bonds and Notes	5,907,500.00	5,907,500.00	5,907,500.00
Beach Utility - Bonds and Notes	950.00	950.00	950.00
Total Authorized But Not Issued	<u>13,180,477.99</u>	<u>13,371,059.00</u>	<u>13,553,450.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 46,578,401.52</u>	<u>52,334,683.66</u>	<u>51,951,320.74</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 0.701%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 7,505,000.00	7,505,000.00	-
Utility Debt	15,186,356.17	15,186,356.17	-
General Debt	23,887,045.35		23,887,045.35
	<u>\$ 46,578,401.52</u>	<u>22,691,356.17</u>	<u>23,887,045.35</u>

Net Debt \$23,887,045.35 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,409,630,293.67 = 0.701%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 119,337,060
Net Debt	23,887,045
Remaining Borrowing Power	<u>\$ 95,450,015</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**NOTE 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2016 and 2015, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016 and 2015 were as follows:

		<u>2017</u>	<u>2016</u>
Current Fund	\$	2,500,000.00	2,550,000.00
Water/Sewer Utility		None	None
Golf Course Utility		None	53,680.00

**NOTE 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the balance sheets of the various funds:

		<u>Balance December 31, 2016</u>	<u>2017 Budget Appropriation</u>	<u>Balance to Succeeding</u>
Current fund:				
Special Emergency Appropriation	\$	359,918.20	242,241.00	117,677.20
	\$	<u>359,918.20</u>	<u>242,241.00</u>	<u>117,677.20</u>

**NOTE 10: SCHOOL TAXES**

Local District School Tax in the amount of \$15,888,114.00 has been raised for the 2016 and 2015 calendar years and remitted to the school district.

**NOTE 11: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance 12/31/16</u>	<u>Balance 12/31/15</u>
Prepaid Taxes	\$ 1,004,913.86	920,332.39
Cash Liability for Taxes Collected in Advance	<u>\$ 1,004,913.86</u>	<u>920,332.39</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**NOTE 12: PENSION FUNDS**

*Description of Plans*

Substantially all of the City's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

*Public Employees' Retirement System*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State 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.

*Defined Contribution Retirement Program (DCRP)*

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15c-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43: 15c-1 et seq. Currently there are nine individuals enrolled in DCRP.

*Police and Fireman's Retirement System*

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

*Pension Plan for Lifeguards*

The City of Brigantine has established a pension plan to provide retirement, disability, and survivor pension benefits for the individuals who serve on the City's lifeguard force. An eligible employee becomes a plan member upon employment. Employee contributions shall be withheld from the member's salary and contributed to plan for his benefit for his/her benefit. Retiree benefits are paid out of the current fund and charged to the current operating budget of the City. A plan member may retire with a pension only after his 45<sup>th</sup> birthday and after he has completed 20 years of service, the last 10 must have been completed immediately preceding his/her application.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

*Funding Policy*

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. PERS provided for employee contributions of 6.92% through June 30, 2014 and 7.06% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 12.46% of covered payroll. The City's contributions to PERS for the years ended December 31, 2016, 2015, and 2014 were \$508,867.00, \$511,190.87 and \$473,242.00.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The City's contributions to PFRS for the years ended December 31, 2016, 2015, and 2014 were \$1,552,045.00, \$1,692,487.00, and \$1,591,115.00.

The total payroll for the year ended December 31, 2016 was \$13,367,501.63. Payroll covered by PFRS was \$5,954,322.00 and PERS was \$4,016,067.00.

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's contributions to the Lifeguard Pension for the year ended December 31, 2016, 2015 and 2014 was \$20,000.00, \$20,000.00 and \$20,000.00. The City's trust for the Lifeguard Pension at December 31, 2016 was \$568,327.34. Currently there are eight individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2016, 2015 and 2014 were \$55,050.92, \$50,073.84 and \$50,073.84.

*Significant Legislation*

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**Note 13: PENSION LIABILITIES**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2016:

**Public Employees' Retirement System**

The Municipality has a liability of \$16,887,404.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Municipality's proportion would be 0.05701903920%, which would be an decrease of 3.67% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Municipality would have recognized pension expense of \$1,416,749.00. At December 31, 2016, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 314,055	
Changes of assumptions	3,498,168	
Changes in proportion		(785,549)
Net difference between projected and actual earnings on pension plan investments	643,932	
Total	<u>\$ 4,456,155</u>	<u>(785,549)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2017	\$ 830,681
2018	830,681
2019	949,639
2020	794,690
2021	264,915
Total	<u>\$ 3,670,606</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2014 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

*Discount Rate*

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 3.98%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.98%) or 1-percentage point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Municipality's proportionate share of the net pension liability	\$ 20,237,928	16,887,404	\$ 14,124,226

*Pension plan fiduciary net position.*

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**Police and Firemen's Retirement System**

The Municipality has a liability of \$35,934,404.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Municipality's proportion would be 0.18811304300%, which would be an decrease of 1.48% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Municipality would have recognized pension expense of \$3,110,464.00. At December 31, 2016, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience		(235,555)
Changes of assumptions	\$ 4,977,210	
Changes in proportion	505,197	(3,189,741)
Net difference between projected and actual earnings on pension plan investments	2,517,851	
Total	<u>\$ 8,000,258</u>	<u>(3,425,296)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2016	\$ 1,106,284
2017	1,106,284
2018	1,468,366
2019	860,201
2020	33,827
Total	<u>\$ 4,574,962</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	2.10% - 8.98% (based on age)
Thereafter	3.10% - 9.98% (based on age)
Investment rate of return:	7.65%

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.*

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
City's proportionate share of the net pension liability	\$ 45,681,852	35,934,404	27,989,139

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2016 State special funding situation net pension liability amount of \$1,604,141,087.00, is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2016 State special funding situation pension expense of \$204,886,666.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2016. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.18811304300% for 2016. The net pension liability amount allocated to the Municipality was \$3,017,599.00. For the fiscal year ending June 30, 2016 State special funding situation pension expense of \$385,418.00 is allocated to the Municipality.

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

**NOTE 14: POST-RETIREMENT BENEFITS**

Retired members of the PBA and the fire department are entitled to an annual allowance of up to \$900.00 for dental work. During 2016, the City provided post-retirement dental coverage to forty six (46) retired employees. In accordance with GASB 45 and the State of New Jersey, the City obtained an actuarial valuation of the liability for providing these benefits.

As of December 31, 2016, the actuarial valuation report was based on 61 participants including 46 retirees and dependents. The actuarial determined valuation of these benefits has been reviewed and will be reviewed annually for the purpose of estimating the present value of future benefits for active and retired employees and their dependents as required by GASB 45.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual OPEB cost represents the accrued cost for post-employment benefits under GASB 45. The cumulative difference between the annual OPEB cost and the benefits paid during a year will result in a net OPEB obligation. The annual OPEB cost is equal to the annual required contribution (ARC) less adjustment if a net OPEB obligation exists. The ARC is equal to the normal cost and amortization of the Unfunded Actuarial Accrued Liability (UAAL) plus interest. The Actuarial Accrued Liability (AAL) as of December 31, 2016 is \$1,920,000.00 based upon a discount rate of 4.50% per annum and the plan provisions in effect as of yearend. As of the measurement date, the plan has no assets to offset any portion of the Actuarial Accrued Liability (AAL), therefore the UAAL and AAL are equal.

**Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrences of events far into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Other Post-Employment Benefit Costs and Obligations**

In the December 31, 2016 actuarial valuation, the Annual Required Contribution (ARC) for the year ending December 31, 2016 was projected as follows:

	12/31/2016
Normal Cost	\$ 55,000
AAL	1,920,000
Less Assets	-
UAAL	1,920,000
30 Year Amortization of UAAL at Discount Rate	110,000
Interest	5,000
Total ARC	\$ 170,000

**NOTE 15: ACCRUED SICK AND VACATION BENEFITS**

The City has permitted employees to accrue unused vacation, personal and sick time, which may be taken as time off or paid at a later date at an agreed upon rate. Employees are only eligible to receive 50% of the sick time they have accrued, and the maximum dollar amount of sick time that may be earned is \$12,000. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2016, the City estimates this liability to approximate \$3,802,559.24 based on 2016 pay rates and compensated absence balances.

**NOTE 16: ECONOMIC DEPENDENCY**

The City of Brigantine is not economically dependent on any one business or industry as a major source of tax revenue for the City.



**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**NOTE 17: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The City maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2016 and 2015 the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The City is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The City is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The City has a general liability limit of \$100,000 under JIF, which increases to \$5,000,000 under MEL.

**NOTE 18: DEFERRED COMPENSATION**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. In 1998 the City of Brigantine amended the plan by resolution to comply with a private letter ruling of the Internal Revenue Service that requires assets of deferred compensation plans be held in trust under the beneficial ownership of the Trustee, (City of Brigantine) serving as Trustee, for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The plan administrators are Hartford, Aflac and Valic.

**NOTE 19: CONTINGENT LIABILITIES**

From time to time, the City is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the City's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

**NOTE 20: FEDERAL AND STATE GRANTS**

In the normal course of operations, the City received grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as a result of these audits is not believed to be material.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**  
**(CONTINUED)**

**NOTE 21: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2016, the following interfunds were included on the balance sheets of the various funds of the City of Brigantine:

	Due From	Due To
Current Fund:		
Animal Control Fund	\$ 3,387.60	
Federal and State Grant Funds	1,362.39	
Trusts Other	100.00	264.00
Golf Utility Operating Fund	9,042.66	
General Capital Fund		17,609.00
Grant Fund:		
Current Fund		1,362.39
Other Trusts:		
Current Fund	264.00	100.00
Animal Control Fund:		
Current Fund		3,387.60
General Capital Fund:		
Current Fund	17,609.00	
Golf Course Operating:		
Current Fund		9,042.66
	\$ <u>31,765.65</u>	<u>31,765.65</u>

The balances are primarily the result of disbursements made from the various funds which were not reimbursed prior to year end.

**NOTE 22: SUBSEQUENT EVENTS**

The City has evaluated subsequent events through June 23, 2017, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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## **SUPPLEMENTARY INFORMATION**





### Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council  
City of Brigantine, New Jersey

We have audited, in accordance with the 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, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Brigantine's basic financial statements, and have issued our report thereon dated June 23, 2017, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Brigantine's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Brigantine'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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Brigantine'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*.

## **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 City of Brigantine's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**June 23, 2017**



### Independent Auditor's Report

The Honorable Mayor and  
Members of City Council  
City of Brigantine, New Jersey

#### ***Report on Compliance for Each Major Federal Program***

We have audited the City of Brigantine's compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the City of Brigantine's major federal programs for the year ended December 31, 2016. The City of Brigantine'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 City of Brigantine'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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 City of Brigantine'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 the City of Brigantine's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the City of Brigantine 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, 2016.

## ***Report on Internal Control Over Compliance***

Management of City of Brigantine 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 City of Brigantine'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 the Uniform Guidance, 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 City of Brigantine's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**June 23, 2017**



**SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal FAIN Number	Grant Period		Program or Award Amount	Receipts or Revenue Recognized	Budgetary Expenditures			(MEMO) Passed Through to Sub-Recipients
			From	To			Pass Through	Source	Total	
<b>FEDERAL:</b>										
U.S. Department of Justice Passed thru New Jersey Department of Law and Public Safety Bulletproof Vest Partnership	16.607	Unknown			Unknown	\$ -	6,241.00		6,241.00	-
Total U.S. Department of Justice						-	6,241.00	-	6,241.00	-
U.S. Department of Homeland Security Emergency Generator Assistance to Firefighters	97.039 97.xxx	Unknown	05/19/2015	05/19/17	255,000.00 Unknown		1,197.00			
Total U.S. Department of Homeland Security						-	1,197.00	-	-	-
U.S. Department of Housing and Urban Development Passed thru New Jersey Department of Community Affairs Post Sandy Planning Assistance Community Development Block Grant	14.269		01/01/2014	12/31/2014	45,000.00		(581.25)		(581.25)	-
Bayfront	14.218	Unknown			Unknown		2,129.03		2,129.03	-
Brigantine Blvd.	14.218	Unknown			Unknown		4,043.81		4,043.81	-
Open Space and Recreation	14.218				30,000.00		30,000.00		30,000.00	-
Master Plan Reexamination	14.218				50,000.00		50,000.00		50,000.00	-
Design Standards Zoning	14.218				50,000.00		50,000.00		50,000.00	-
Economic Development Plan	14.218				50,000.00		50,000.00		50,000.00	-
Hurricane Sandy Recovery Grant	14.269	B13DS340001	10/16/2014		1,379,435.00		8,460.00		8,460.00	-
Hurricane Sandy Recovery Grant	14.269	B13DS340001	10/14/2014	06/01/2017	758,448.00	172,972.01	758,448.00		758,448.00	-
Total Housing and Urban Development						172,972.01	952,499.59	-	952,499.59	-
Total Federal Assistance						\$ 172,972.01	959,937.59	-	959,740.59	-

See Accompanying Notes to Schedule of Federal Awards

**NOTES TO SCHEDULE EXPENDITURES OF  
FEDERAL AWARDS FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2016**

**Note 1: General**

The accompanying schedule of federal and state awards includes the federal and state grant activity of the City of Brigantine May, State of New Jersey and is presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining single audit threshold on major programs.

**Note 2: Relationship to General Purpose Financial Statements**

Amounts reported in the accompanying schedule do not agree with amounts reported in the City's financial statements. Receipts from Federal and State grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Following is a reconciliation of expenditures:

Expenditures per Schedule of Federal Awards	\$	959,937.59
Less: General Capital Fund Grant		(766,908.00)
Plus: State Grants		115,656.05
Plus: Local Grants		-
Expenditures reported on Schedule A-12	<u>\$</u>	<u>308,685.64</u>

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**CITY OF BRIGANTINE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

***Part I -- Summary of Auditor's Results***

**Financial Statement Section**

A)	Type of auditor's report issued:	<u>Adverse - GAAP BASIS, Unmodified Regulatory basis</u>		
B)	Internal control over financial reporting:			
	1) Material weakness(es) identified?	_____ yes	<u>  X  </u> no	
	2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes	<u>  X  </u> no	
C)	Noncompliance material to general-purpose financial statements noted?	_____ yes	<u>  X  </u> no	

**Federal Awards Section**

D)	Dollar threshold used to determine Type A programs:	<u>\$ 750,000.00</u>			
E)	Auditee qualified as low-risk auditee?	_____ yes	<u>  X  </u> no	_____ n/a	
F)	Type of auditor's report on compliance for major programs	<u>Unmodified</u>			
G)	Internal Control over compliance:				
	1) Material weakness(es) identified?	_____ yes	<u>  X  </u> no		
	2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes	<u>  X  </u> no		
H)	Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	_____ yes	<u>  X  </u> no		
I)	Identification of major programs:				

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.269	Hurricane Sandy Community Development Block Grant Disaster Recovery
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**CITY OF BRIGANTINE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

***Part I -- Summary of Auditor's Results***

**State Awards Section -**

**Not Applicable**

- J) Dollar threshold used to determine Type A programs: \_\_\_\_\_
- K) Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no \_\_\_\_\_ n/a
- L) Type of auditor's report on compliance for major programs \_\_\_\_\_
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
- 2) Were reportable condition(s) identified that were not considered to be material weaknesses? \_\_\_\_\_ yes \_\_\_\_\_ no
- N) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? \_\_\_\_\_ yes \_\_\_\_\_ no
- O) Identification of major programs:

GMIS Number(s)

Name of State Program

\_\_\_\_\_

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***Part 2 - Schedule of Financial Statement Findings***

None

***Part 3 - Schedule of Federal Award Findings and Questioned Costs***

None

***STATUS OF PRIOR YEAR FINDINGS***

**Finding #2015-1:**

**Recommendation:**

That the City establish internal control procedures that are designed to ensure compliance with New Jersey Local Public Contract Laws.

**Current Status:**

This recommendation was corrected in 2016.

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2015	\$ 9,305,441.02	193,486.23
Increased by Receipts:		
Tax Collector	57,225,302.42	
State of New Jersey - Veterans' and Senior Citizens' Deductions	115,561.06	
Miscellaneous Revenue Anticipated	3,762,666.13	
Miscellaneous Revenue Not Anticipated	313,906.95	
Due Federal and State Grant Fund	11,907.93	
Due Trust Other	1,652.00	
Due Golf Utility	300,593.01	
Due General Capital	17,609.00	
Reserve for Future Capital Projects	800,000.00	
Due to State of New Jersey - State Training Fees	30,639.00	
Due to State of New Jersey - Marriage License Surcharge	1,475.00	
Change and Petty Cash Funds	2,475.00	
Federal and State Grant Fund:		
Federal and State Grants Receivable		164,390.90
Due Current Fund		9,527.39
	<u>62,583,787.50</u>	<u>173,918.29</u>
	71,889,228.52	367,404.52
Decreased by Disbursements:		
Current Year Appropriation	26,774,121.92	
Prior Year Appropriations	830,758.31	
Other Refunds	9,642.20	
County Taxes	17,557,438.53	
Local District School Taxes	15,888,114.00	
Due to County - Added and Omitted Taxes	92,197.09	
Accounts Payable	8,783.89	
Due to State of New Jersey - Marriage License Fees	1,600.00	
Due to State of New Jersey - State Training Fees	33,317.00	
Refund of Tax Overpayments	39,035.80	
Due Trust Other	5,237.55	
Due Golf Utility Operating	534,042.66	
Due Federal and State Grant Fund	9,527.39	
Payroll Taxes Payable	75,087.17	
Change and Petty Cash Funds	1,300.00	
Federal and State Grant Fund:		
Federal and State Disbursements		204,138.24
Due Water/Sewer Operating Fund		8,996.81
Due Current Fund		11,907.93
	<u>61,860,203.51</u>	<u>225,042.98</u>
Balance December 31, 2016	\$ <u><u>10,029,025.01</u></u>	<u><u>142,361.54</u></u>

**CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2015		\$	-
Increased by Receipts:			
Prepaid Taxes	1,004,913.86		
Taxes Receivable	56,026,146.02		
Interest on Taxes	147,673.18		
Miscellaneous Revenue	<u>46,569.36</u>		
			<u>57,225,302.42</u>
			57,225,302.42
Decreased By Disbursements:			
Payments to Treasurer	<u>57,225,302.42</u>		
			<u>57,225,302.42</u>
Balance December 31, 2016		\$	<u><u>-</u></u>

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2015	Current Year Levy	Added Taxes	2015	2016	Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2016
Arrears	\$ -							-
2014	1.09				1.09			-
2015	478,064.21				478,098.10	(33.89)		(0.00)
	478,065.30	-	-	-	478,099.19	(33.89)	-	(0.00)
2016	-	57,057,103.89	410,648.11	920,332.39	55,633,285.84	217,976.02	20,805.80	675,351.95
	478,065.30	57,057,103.89	410,648.11	920,332.39	56,111,385.03	217,942.13	20,805.80	675,351.95
<b>Analysis of Current Year Tax Levy</b>								
<b>Tax Yield:</b>								
General Property Tax								
Added Taxes (54:4-63.1 et. Seq.)								
Cash Receipts								
Senior Citizens and Veterans								
Other								
56,026,146.02								
119,000.00								
(33,760.99)								
56,111,385.03								
57,057,103.89								
410,648.11								
57,467,752.00								
<b>Tax Levy:</b>								
General County Taxes								
County Library Taxes								
County Open Space Taxes								
County Health Taxes								
County Added and Omitted Taxes								
Total County Taxes								
15,659,645.24								
1,122,226.08								
56,311.50								
719,255.71								
121,789.47								
17,679,228.00								
Local School District Tax								
Additional Local Open Space Tax								
15,888,114.00								
Local Tax for Municipal Purposes								
Add: Additional Tax Levied								
23,583,954.48								
316,455.52								
23,900,410.00								
57,467,752.00								



**CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2015		\$	55,720.96
Increased by:			
Transfers from Taxes Receivable	20,805.80		
Interest and Costs Accrued by Sale	1,411.76		
	<hr/>		<hr/>
			22,217.56
			<hr/>
			77,938.52
Decreased by:			
Adjustment	22.00		
	<hr/>		<hr/>
			22.00
			<hr/>
Balance December 31, 2016		\$	<u><u>77,916.52</u></u>

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2015	Accrued in 2016	Collected by		Balance Dec. 31, 2016
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	\$ -	11,850.00		11,850.00	-
Other	-	22,111.00		22,111.00	-
Fees and Permits	-	115,164.17		115,164.17	-
Municipal Court					
Fines and Costs	13,998.88	136,897.15		140,923.33	9,972.70
Interest and Costs on Taxes	-	147,673.18	147,673.18		-
Beach Fees	-	548,053.00		548,053.00	-
Beach Vehicles Permits	-	640,602.00		640,602.00	-
Cable Franchise	-	77,704.35		77,704.35	-
County Share of Library Costs	-	60,000.00		60,000.00	-
Emergency Medical Services	-	298,423.78		298,423.78	-
Lease of City Property	-	176,676.50		176,676.50	-
Uniform Construction Code Fees	-	522,023.00		522,023.00	-
Fire Prevention Inspection Fees	-	262,720.00		262,720.00	-
Minature Golf Receipts	-	20,000.00		20,000.00	-
Energy Receipts	-	657,130.00		657,130.00	-
Open Space Pilot Aid (Garden State Trust)	-	15,570.00		15,570.00	-
Type I School Debt Service Aid	-	193,715.00		193,715.00	-
Miscellaneous Revenue Not Anticipated	-	359,458.66	45,551.71	313,906.95	-
	<u>13,998.88</u>	<u>4,265,771.79</u>	<u>193,224.89</u>	<u>4,076,573.08</u>	<u>9,972.70</u>

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>OPERATIONS WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT:</b>					
General Administration					
Other Expenses	18,827.32	18,827.32	1,504.05	17,323.27	-
Mayor and Council					
Other Expenses	12,542.80	12,542.80	5,801.00	6,741.80	-
Municipal Clerk					
Other Expenses	20,438.93	20,438.93	1,677.88	18,761.05	-
Financial Administration					
Other Expenses	7,544.18	7,544.18	7,068.99	475.19	-
Tax Assessment Administration					
Other Expenses	8,031.22	8,031.22	5,040.28	2,990.94	-
Legal Services					
Other Expenses	163,734.51	163,734.51	162,039.51	1,695.00	-
Emergency Medical Services - Billing					
Other Expenses	11,647.65	11,647.65	6,517.74	5,129.91	-
Engineering Services and Costs					
Other Expenses	28,578.69	28,578.69	16,084.93	12,493.76	-
Planning Board					
Other Expenses	6,634.78	6,634.78	130.00	6,504.78	-
Municipal Court					
Other Expenses	7,776.39	7,776.39	5,525.40	2,250.99	-
<b>INSURANCE</b>					
Insurance					
General Liability and Other Insurance	9,815.85	9,815.85	400.00	9,415.85	-
Employee Group Health	468,492.64	468,492.64	232,981.25	235,511.39	-
<b>PUBLIC SAFETY</b>					
Fire Department					
Other Expenses	34,508.45	34,508.45	20,017.66	14,490.79	-
Police Department					
Salaries and Wages	221,074.01	221,074.01	1,724.33	219,349.68	-
Other Expenses	65,155.44	65,155.44	54,698.71	10,456.73	-
Office of Emergency Management					
Other Expenses	2,794.96	2,794.96	2,253.00	541.96	-

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>STREETS AND ROADS</b>					
Streets and Roads Maintenance					
Other Expenses	17,392.06	17,392.06	263.75	17,128.31	-
Snow Removal - Contractual	8,837.33	8,837.33	8,837.33	-	-
Solid Waste Collection					
Other Expenses	176,089.60	176,089.60	95,901.74	80,187.86	-
<b>PUBLIC WORKS</b>					
Public Works					
Other Expenses	2,534.36	2,534.36	623.29	1,911.07	-
Public Buildings and Grounds					
Other Expenses	37,932.65	37,932.65	32,288.04	5,644.61	-
Recycling Program					
Other Expenses	7,702.14	7,702.14	1,177.90	6,524.24	-
<b>PARKS AND RECREATION</b>					
Beach Patrol and Maintenance					
Other Expenses	3,140.30	3,140.30	1,139.40	2,000.90	-
Beach Fee Program					
Other Expenses	9,422.37	9,422.37	6,071.55	3,350.82	-
Parks and Playgrounds					
Other Expenses	1,613.31	1,613.31	213.91	1,399.40	-
Grant Coordinator					
Other Expenses	27,068.96	27,068.96	1,991.25	25,077.71	-
<b>UNCLASSIFIED</b>					
Accumulated Leave Compensation	92,893.06	92,893.06	92,893.06	-	-
Maintenance Agreements - Contractual	19,038.51	19,038.51	18,220.34	818.17	-
<b>UNIFORM CONSTRUCTION CODE</b>					
Construction Official					
Other Expenses	8,713.18	8,713.18	710.69	8,002.49	-
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electric	6,371.27	6,371.27	6,371.27	-	-
Street Lighting	38,341.01	38,341.01	15,604.73	22,736.28	-
Telephone	467.85	467.85	467.85	-	-
Gas	12,465.42	12,465.42	3,818.51	8,646.91	-
Fuel	137,381.78	137,381.78	5,546.04	131,835.74	-

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>REGULATORY EXPENDITURES</b>					
Contribution to:					
Unemployment Compensation	65,812.25	65,812.25	14,617.00	51,195.25	-
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
<b>INSURANCE</b>					
Fire Prevention Inspections	1,678.25	1,678.25	535.93	1,142.32	-
Other Expenses	583,492.57	583,492.57		583,492.57	-
<b>All Other Accounts - No Change</b>					
	<u>\$ 2,345,986.05</u>	<u>2,345,986.05</u>	<u>830,758.31</u>	<u>1,515,227.74</u>	<u>-</u>

**CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2015		
School Tax Payable	\$ -	
School Tax Deferred	-	
	<u>          </u>	\$ -
Increased by:		
Levy - School Year July 1, 2016 to June 30, 2017		<u>15,888,114.00</u>
		15,888,114.00
Decreased by:		
Due from Local School District		-
Payments		<u>15,888,114.00</u>
Balance December 31, 2016		
School Tax Payable	-	
School Tax Deferred	-	
	<u>          </u>	<u>-</u>
Current Year Liability for Local School District School Tax:		
Tax Paid		15,888,114.00
Tax Payable Ending		<u>-</u>
		15,888,114.00
Less: Tax Payable Beginning		<u>-</u>
Amount charged to Current Year Operations		<u><u>\$ 15,888,114.00</u></u>

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2015</u>	<u>Transferred From 2016 Revenues</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2016</u>
<b>FEDERAL GRANTS:</b>					
Small Cities Community Development Block Grant	\$ 18,245.32				18,245.32
Community Development Block Grant - Bayfront	50,000.00		22,537.50		27,462.50
Community Development Block Grant - Brigantine Blvd.	50,000.00		18,068.75		31,931.25
Post Sandy Assistance	10,000.00		5,000.00		5,000.00
2012 Assistance to Firefighters	29,667.00			29,667.00	-
2014 Assistance to Firefighters	1,643.00		1,000.00		643.00
2015 Assistance to Firefighters	-	81,715.00			81,715.00
U.S. Dept. of Justice - Cops in Shops	363.64			363.64	-
DCA-CDBG-Open Space and Recreation	-	50,000.00			50,000.00
DCA-CDBG-Master Plan Reexamination	-	30,000.00			30,000.00
DCA-CDBG-Design Standards Zoning	-	50,000.00			50,000.00
DCA-CDBG-Economic Development Plan	-	50,000.00			50,000.00
Federal Body Armor Bullet Proof Vests	-	4,840.00	3,096.53		1,743.47
<b>Total Federal</b>	<b>159,918.96</b>	<b>266,555.00</b>	<b>49,702.78</b>	<b>30,030.64</b>	<b>346,740.54</b>

**STATE GRANTS:**

Drive Sober or Get Pulled Over	900.00			900.00	-
Sustainable Jersey Small Grant	2,000.00				2,000.00
Body Armor Fund	2,331.02	3,226.75	5,557.77		-
Municipal Alliance on Alcoholism and Drug Abuse - Prior	12,958.61			12,958.61	-
Municipal Alliance on Alcoholism and Drug Abuse - 2015	10,632.88			10,632.88	-
Municipal Alliance on Alcoholism and Drug Abuse - 2016	16,319.00		13,012.21		3,306.79
Municipal Alliance on Alcoholism and Drug Abuse	-	16,319.00			16,319.00
Help America Vote Act	334.60			334.60	-
Juvenile Accountability Block Grant	837.14			837.14	-
Safe Routes to Schools Grant	739.90			739.90	-
Statewide Livable Communities	17,762.00				17,762.00
Click it or Ticket - 2015	1,200.00			1,200.00	-
Sustainable Jersey Small Grant - Lighting	5,000.00				5,000.00
NJDEP National Fish & Wildlife	125,000.00				125,000.00
NJEDA-Neighborhood Revitalization Boat Ramp Project	-	689,115.00			689,115.00
Recycling Tonnage Grant	-	13,820.07	13,820.07		-
Clean Communities Grant	-	50,889.58	50,889.58		-

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	Balance Dec. 31, 2015	Transferred From 2016 Revenues	Received	Canceled	Balance Dec. 31, 2016
<b>STATE GRANTS: CONTINUED</b>					
Drunk Driving Enforcement	-	6,908.49	6,908.49		-
Safe and Secure	-	30,000.00	22,500.00		7,500.00
Sustainable Jersey Small Grant - PSEG	-	2,000.00	2,000.00		-
Total State	196,015.15	812,278.89	114,688.12	27,603.13	866,002.79
<b>OTHER GRANTS:</b>					
County of Atlantic - Brigantine Blvd	292,979.74				292,979.74
Total Other	292,979.74	-	-	-	292,979.74
\$	648,913.85	1,078,833.89	164,390.90	57,633.77	1,505,723.07



**CURRENT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2015		2016	Encumbrances	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2016
	Appropriated	Reserve for Encumbrances						
<b>FEDERAL GRANTS:</b>								
Small Cities Grant	\$ 109,302.26							109,302.26
Community Development Block Grant - Drainage 2005	9,237.88							9,237.88
Community Development Block Grant - Bayfront	3,956.13				2,129.03			1,827.10
Community Development Block Grant - Brigantine Blvd.	4,043.81				4,043.81			(0.00)
Small Cities Community Development Block Grant	31,765.00							31,765.00
Bulletproof Vest Partnership	11,142.93				6,241.00			4,901.93
Bulletproof Vest Partnership - 2016	-		4,840.00					4,840.00
Post Sandy Assistance - 2012	134.59				134.59			0.00
Post Sandy Assistance - 2014		3,168.75			2,452.91			715.84
2012 Assistance to Firefighters	19,589.24				1,197.00		18,392.24	-
2015 Assistance to Firefighters	48.23							48.23
2016 Assistance to Firefighters	-		85,800.00		15,782.50			85,800.00
DCA-CDBG-Open Space and Recreation	-		30,000.00		14,217.50			-
DCA-CDBG-Master Plan Reexamination	-		50,000.00		22,948.75			-
DCA-CDBG-Design Standards Zoning	-		50,000.00		20,392.50			-
DCA-CDBG-Economic Development Plan	-		50,000.00		10,687.50			-
<b>Total Federal</b>	<b>189,220.07</b>	<b>3,168.75</b>	<b>270,640.00</b>	<b>110,188.75</b>	<b>86,009.59</b>	<b>18,392.24</b>	<b>248,438.24</b>	
<b>STATE GRANTS:</b>								
Clean Communities Program - 2012	(0.00)	1,050.00			(550.00)			1,600.00
Clean Communities Program - 2013		480.00						480.00
Clean Communities Program - 2014		318.40			318.40			-
Clean Communities Program - 2015	25,304.44	2,355.30			27,430.99			228.75
Clean Communities Program - 2016	-		50,889.58		37,844.43	2,285.00		10,760.15
Drunk Driving Enforcement Program - Prior	12,647.73	980.50			2,381.14	53.76		11,193.33
Drunk Driving Enforcement Program - 2015	3,199.87				964.91			2,234.96
Drunk Driving Enforcement Program - 2016	-		6,908.49					6,908.49
Juvenile Accountability Block Grant	234.03					234.03		-
Alcohol Education and Rehabilitation Grant	3,429.29							3,429.29
NJEDA-Neighborhood Revitalization Boat Ramp Project	-		689,115.00		(62.50)			689,115.00
Municipal Alliance on Alcoholism and Drug Abuse - Prior	27,678.58	120.96					32,679.44	(4,817.40)
Municipal Alliance on Alcoholism and Drug Abuse - 2015	7,843.60						7,843.60	-
Municipal Alliance on Alcoholism and Drug Abuse - 2016	19,734.00	290.00			14,362.21			5,661.79
Municipal Alliance on Alcoholism and Drug Abuse - 2017	-		20,399.00		4,864.07			15,534.93
Sustainable Jersey Small Grant - Lighting	10,000.00							10,000.00
Sustainable Jersey Small Grant - PSEG			2,000.00		575.00			641.20
Recycling Tonnage - 2015	30,033.57					783.80		30,033.57
Recycling Tonnage - 2016	-		13,820.07					13,820.07
Statewide Livable Communities Grant	17,762.00							17,762.00
NJ Emergency Management	12,612.72						4,000.00	-
Click it or Ticket - 2015	4,000.00						4,400.00	-
Drive Sober or Get Pulled Over	4,400.00						334.60	-
Help America Vote Act	334.60						739.90	-
Safe Routes to Schools Grant	739.90							-
NJDEP National Fish & Wildlife	125,000.00		30,000.00		30,000.00			125,000.00
Safe and Secure	-							-

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2015		2016 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2016
	Appropriated	Reserve for Encumbrances					
Body Armor Fund	-		3,226.75				3,226.75
Total State	304,954.33	5,595.16	816,358.89	118,128.65	3,122.56	50,231.57	955,425.60
<b>OTHER GRANTS:</b>							
County of Atlantic - Brigantine Blvd	240,487.76	89,059.31			89,059.31		240,487.76
Total Other	240,487.76	89,059.31	-	-	89,059.31	-	240,487.76
	734,662.16	97,823.22	1,086,998.89	204,138.24	202,370.62	68,623.81	1,444,351.60

**TRUST FUND**  
**SCHEDULE OF ANIMAL CONTROL CASH - TREASURER**

Balance December 31, 2015		\$	3,605.40
Increased By Receipts:			
Dog Licenses Fees	\$	991.80	
State License Fees		223.20	
		<hr/>	1,215.00
			<hr/>
			4,820.40
Decreased By Disbursements:			
Dog Expenditures		1,200.00	
Registration Fees Due to State of New Jersey		271.20	
		<hr/>	1,471.20
			<hr/>
Balance December 31, 2016		\$	<u><u>3,349.20</u></u>

**TRUST FUND**  
**SCHEDULE OF OTHER TRUST CASH - TREASURER**

Balance December 31, 2015 \$ 2,252,062.93

Increased By Receipts:

Due Current Fund	\$	4,549.55	
Reserve for Police Special Detail Escrow		7,639.54	
Reserve for Engineering Escrow		83,407.27	
Reserve for Lifeguard Pension		50,492.84	
Reserve for Recreation		256,324.12	
Reserve for Green Team		30,433.23	
Reserve for Sea Wall Benches		27,826.00	
Reserve for COAH		125,103.72	
Reserve for Health Insurance Trust		253,497.68	
Reserve for Accumulated Absences		268,503.71	
Reserve for Insurance Proceeds		2,400.00	
Reserve for Storm Expenses		131,100.00	
Reserve for Municipal Alliance Donations		12,478.10	
Reserve for Tax Title Lien Premiums & Redemptions		1,750,869.99	
			3,004,625.75
			5,256,688.68

Decreased By Disbursements:

Due Current Fund		700.00	
Reserve for Police Special Detail Escrow		7,639.54	
Reserve for Special Law Enforcement		1,875.00	
Reserve for Engineering Escrow		72,609.43	
Reserve for Lifeguard Pension		55,050.92	
Reserve for Recreation		229,022.71	
Reserve for Green Team		24,725.84	
Reserve for Sea Wall Benches		31,045.00	
Reserve for COAH		1,564.25	
Reserve for Health Insurance Trust		253,497.68	
Reserve for Donations - Emergency Management Supplies		5,001.42	
Reserve for Donations - Water Tower		12,800.00	
Reserve for Accumulated Absences		174,631.89	
Reserve for Ambulance		6,151.00	
Reserve for Insurance Proceeds		2,400.00	
Reserve for Storm Expenses		12,808.85	
Reserve for Tax Title Lien Premiums & Redemptions		1,828,609.75	
			2,720,133.28

Balance December 31, 2016 \$ 2,536,555.40

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance December 31, 2015		\$	136.80
Increased By:			
Dog Licenses Fees Collected	\$	991.80	
Due from Current		71.40	
			<u>1,063.20</u>
			<u>1,200.00</u>
Decreased By Disbursements:			
Dog Expenditures		1,200.00	
			<u>1,200.00</u>
Balance December 31, 2016		\$	<u><u>-</u></u>

## License Fees Collected

Year

2014	\$	1,164.80
2015		<u>941.60</u>
	\$	<u><u>2,106.40</u></u>

**TRUST - OTHER FUND  
STATEMENT OF DUE TO CURRENT FUND**

Balance December 31, 2015	\$ 3,459.00
Increased By:	
None	<u>                    </u>
	3,459.00
Decreased By:	
Dog Expenditures	<u>71.40</u>
Balance December 31, 2016	\$ <u><u>3,387.60</u></u>

**TRUST - OTHER FUND  
STATEMENT OF DUE (TO)FROM STATE OF NEW JERSEY**

Balance December 31, 2015	\$ (9.60)
Increased by:	
Paid to State of New Jersey	<u>271.20</u>
	261.60
Decreased by:	
Licenses Issued in 2016	<u>223.20</u>
	223.20
Balance December 31, 2016	\$ <u><u>38.40</u></u>

**GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2015		\$	8,909,408.76
Increased by:			
Due from Utility Capital Fund	50,000.00		
Reserve for Payment of School Debt	202,413.40		
Bond Premium	28,137.00		
Capital Improvement Fund	100,000.00		
Grant Reimbursement	172,972.01		
			<u>553,522.41</u>
			9,462,931.17
Decreased by:			
Improvement Authorizations	5,660,462.47		
			<u>5,660,462.47</u>
Balance December 31, 2016		\$	<u><u>3,802,468.70</u></u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2015	Receipts		Improvement Authorizations	Disbursements		Balance Dec. 31, 2016
		Miscellaneous	Debt Issued		From	To	
<b>\$</b>							
Fund Balance	217,510.57	28,137.00					245,647.57
Capital Improvement Fund	153,500.00	100,000.00					253,500.00
State Aid Receivable (school const.)	(186,376.45)						(186,376.45)
Due from Current Fund	-				17,609.00		(17,609.00)
Due from Utility Capital Fund	(50,000.00)	50,000.00					-
Reserve for Payment of School Debt	-	202,413.40					202,413.40
Reserve for Future Capital Project	439,555.00						439,555.00
Reserve for Bonds and Notes	194,024.60						194,024.60
Reserve for Encumbrances	805,049.40				805,049.40	433,818.61	433,818.61
<b>Improvement Authorizations</b>							
12-97 School Facilities	706.82						706.82
10-01 Various Improvements	-			19,984.50	15.50	20,000.00	-
14-04 School Renovations	186,376.45						186,376.45
21-06 Various Improvements	(22,255.23)			23,232.50	14,584.50	22,242.50	(37,829.73)
17-07 Boat Ramp Renovations	196,215.98			5,655.00		5,655.00	196,215.98
01-08 Purchase of St. Philips	477.29						477.29
02-08 Stormwater Pump Station	-				3,328.70	3,328.70	-
21-08 Various Improvements	43,752.29			16,325.42	43,112.57	16,325.42	639.72
17-09; 11-11 Improvements to St Philips	170,816.22				7,841.58		162,974.64
18-09 Various Improvements	(24,487.05)			36,398.01	1,925.00	73,793.80	10,983.74
14-10 Various Improvements	86,313.44			15,448.74	6,357.00	9,034.50	73,542.20
27-10 Various Improvements	262,417.26			15,076.50	16,815.00	31,821.50	262,347.26
19-12 Beach Replenishment	565,948.27			132,646.62	10,000.00	15,785.00	439,086.65
10-13 Various Improvements	1,034,890.66			357,299.05	110,595.34	491,785.48	1,058,561.75
13-14 Various Improvements	(104,325.00)			96,725.00	70,075.00	74,000.00	(197,125.00)
8-15 School Improvements	3,793,040.91			2,953,165.72			857,484.19
9-15 School Improvements	1,156,904.83			1,156,904.83			-
12-15 Streetscape Project	(10,447.50)	172,972.01		831,600.58	149,168.42	41,297.50	(776,946.99)
<b>\$</b>	<b>8,909,408.76</b>	<b>553,522.41</b>	<b>-</b>	<b>5,660,462.47</b>	<b>1,256,477.01</b>	<b>1,256,477.01</b>	<b>3,802,468.70</b>



**GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2015		\$ 153,500.00
Increased by:		
Current Fund Budget Appropriations	100,000.00	
	<hr/>	<hr/>
		100,000.00
		253,500.00
Decreased by:		
None	-	
	<hr/>	<hr/>
		-
Balance December 31, 2016		\$ <u><u>253,500.00</u></u>

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2015		\$	23,223,259.54
Increased by:			
None	-		
	<hr/>		<hr/>
			-
			<hr/>
			23,223,259.54
Decreased by:			
Serial Bonds Paid	2,290,000.00		
School Type I Bonds	550,000.00		
Green Trust Loans Paid	34,242.18		
	<hr/>		<hr/>
			2,874,242.18
			<hr/>
Balance December 31, 2016		\$	<u><u>20,349,017.36</u></u>

92

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Ord. Date	Amount	Authorizations				Paid or Charged	Balance December 31, 2016	
			Balance December 31, 2015		Other Funding	Deferred Charges to Future Taxation		Funded	Unfunded
			Funded	Unfunded					
12-97	08/20/97	2,800,000	706.82					706.82	
10-01	06/20/01	1,515,000	-				-		
14-04	5/19/2005	925,311	186,376.45					186,376.45	
21-06	8/16/2007	4,000,000		22,744.77			15,574.50		7,170.27
17-07	8/15/2007	630,000	196,215.98				-	196,215.98	
01-08	2/6/2008	2,700,000	477.29					477.29	
02-08	2/6/2008	750,000	-				-		
21-08	9/3/2008	1,000,000	43,752.29					639.72	
17-09; 11-11	5/18/2011	2,000,000	170,816.22	200,000.00				162,974.64	200,000.00
	8/19/2009	1,000,000		25,512.95			7,841.58		60,983.74
14-10	9/1/2010	1,500,000		86,313.44			(35,470.79)		73,542.20
27-10	12/15/2010	500,000		262,417.26			12,771.24		262,347.26
19-12	06/20/12	1,000,000		565,948.27			70.00		439,086.65
10-13	09/18/13	4,000,000	1,034,690.66				126,861.62	1,058,561.75	
13-14	9/3/2014	6,200,000		6,095,675.00			(23,871.09)		6,002,875.00
8-15	5/20/2015	3,817,609	3,793,040.91	17,609.00			92,800.00	857,484.19	
9-15	5/20/2015	1,242,725	1,156,904.83				2,953,165.72	-	
12-15	6/17/2015	1,000,000		939,552.50			1,156,904.83		81.00
							939,471.50		
\$			6,582,981.45	8,215,773.19	-	-	5,289,231.68	2,463,436.84	7,046,086.12

**GENERAL CAPITAL FUND  
STATEMENT OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount					
General Bonds of 2005	1/15/2005	5,250,000	1/15/2017	460,000.00	4.000%	\$ 1,140,000.00		460,000.00	680,000.00
			1/15/2018	220,000.00	4.000%				
General Bonds of 2008	3/15/2008	8,150,000	1/15/2017	750,000.00	3.750%	2,950,000.00		750,000.00	2,200,000.00
			1/15/2018	750,000.00	4.000%				
			1/15/2019	700,000.00	4.000%				
General Bonds of 2012	7/7/2012	9,000,000	7/15/2017	685,000.00	2.000%	7,245,000.00		680,000.00	6,565,000.00
			7/15/18-24	840,000.00	3.000%				
General Bonds of 2015	12/1/2015	6,850,000	12/1/2017	620,000.00	3.000%	6,850,000.00		400,000.00	6,450,000.00
			12/1/2018	640,000.00	4.000%				
			12/1/2018	680,000.00	4.000%				
			12/1/2019	720,000.00	4.000%				
			12/1/2020	720,000.00	2.000%				
			12/1/2021	720,000.00	2.000%				
			12/1/2022	750,000.00	3.000%				
			12/1/2023	800,000.00	3.000%				
			12/1/2024	800,000.00	3.000%				
						\$ 18,185,000.00		2,290,000.00	15,895,000.00
						-			

**GENERAL CAPITAL FUND**  
**STATEMENT OF TYPE I SCHOOL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount					
General Bonds of 2008	3/15/08	400,000			3.750%	\$ 50,000.00		50,000.00	-
General Bonds of 2012	07/07/12	5,850,000	7/15/16-19	500,000.00	3.000%	4,600,000.00		500,000.00	4,100,000.00
			7/15/20-24	520,000.00	3.000%				
						\$ 4,650,000.00	-	550,000.00	4,100,000.00

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount					
Municipal Boat Ramp	1997	72,803	2017	2,241.13	2.000%	\$ 6,657.06		4,415.93	2,241.13
Municipal Boat Ramp	2007	600,000	2017	30,425.76	2.000%	381,602.48		29,826.25	351,776.23
			2018	31,037.33					
			2019	31,661.17					
			2020	32,297.56					
			2021	32,946.74					
			2022	33,608.96					
			2023	34,284.52					
			2024	34,973.63					
			2025	35,676.60					
			2026	36,393.70					
			2027	18,470.26					
						\$ 388,259.54	-	34,242.18	354,017.36

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance	Increased	Decreased	Balance
						Dec. 31, 2015			Dec. 31, 2016
Tax Appeals	29-2012	12/20/2012	12/3/2015	12/2/2016	2.00%	\$ 450,000.00		450,000.00	-
Tax Appeals	14-2013	12/12/2013	12/3/2015	12/2/2016	2.00%	732,000.00		732,000.00	-
			12/1/2016	11/30/2017	2.00%	-	366,000.00	366,000.00	
School Improvements	8-2015	12/3/2015	12/3/2015	12/2/2016	2.00%	3,800,000.00		3,800,000.00	-
			12/1/2016	11/30/2017	2.00%	-	3,405,000.00	3,405,000.00	
						\$ 4,982,000.00	3,771,000.00	4,982,000.00	3,771,000.00



**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Debt Issued	Other	Balance Dec. 31, 2016
21-06	Various Improvements	45,000.00				45,000.00
17-09	Improvements to St. Phillips	200,000.00				200,000.00
18-09	Various Improvements	50,000.00				50,000.00
13-14	Various Improvements	6,200,000.00				6,200,000.00
8-15	School Improvements	17,609.00			17,609.00	-
12-15	Streetscape Project	950,000.00			172,972.01	777,027.99
		<u>\$ 7,462,609.00</u>	<u>-</u>	<u>-</u>	<u>190,581.01</u>	<u>7,272,027.99</u>

**WATER AND SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER**

	Operating Fund	Capital Fund
Balance December 31, 2015	2,188,327.70	435,380.47
Increased by Receipts:		
Water and Sewer Rent Collected	5,478,569.47	
New Jersey EIT Receivables		904,462.00
Due from Utility Capital Fund	335,430.04	
Due from Grant Fund	8,996.81	
Miscellaneous Revenue	164,343.97	
Cancellation of Accounts Payable	30,212.80	
	<u>6,017,553.09</u>	<u>904,462.00</u>
	8,205,880.79	1,339,842.47
Decreased by Disbursements:		
Current Appropriations	5,077,803.57	
Appropriation Reserves	58,786.85	
Improvement Authorizations		813,059.61
Due to Utility Operating Fund		335,430.04
Due to General Capital Fund		50,000.00
	<u>5,136,590.42</u>	<u>1,198,489.65</u>
Balance December 31, 2016	<u>3,069,290.37</u>	<u>141,352.82</u>

**WATER AND SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2015	Receipts		Improvement Authorizations	Disbursements		Transfers		Balance Dec. 31, 2016
		Miscellaneous	Debt Issued		Improvement Authorizations	Miscellaneous	From	To	
New Jersey EIT Receivables	\$ (1,121,707.00)								(217,245.00)
Encumbrances Payable	987,720.59	904,462.00					987,720.59	519,187.65	519,187.65
Due General Capital Fund	50,000.00					50,000.00			-
Due Water/Sewer Operating Fund	335,430.04					335,430.04			-
<u>Improvement Authorizations:</u>									
16-94 Various Improvements	(2,500.00)								(2,500.00)
8-99 Various Improvements	-			7,924.90				7,924.90	-
4-00 Various Improvements	200.00								200.00
20-04 Various Improvements	5,196.37			4,960.00					236.37
25-08 Various Improvements	(72,313.09)								(72,313.09)
5-09; 26-10, 23-11 Various Improvements	156,346.31			9,525.10				9,525.10	156,346.31
13-14 Various Improvements	97,007.25			790,649.61			519,187.65	970,270.59	(242,559.42)
	<u>\$ 435,380.47</u>	<u>904,462.00</u>	<u>-</u>	<u>813,059.61</u>	<u>385,430.04</u>	<u>1,506,908.24</u>	<u>1,506,908.24</u>	<u>141,352.82</u>	

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2015		\$ 330,010.63
Increased by Receipts:		
Billings of User Charges	5,914,388.10	
Overpayments Created	920,848.50	
	<hr/>	<hr/>
		6,835,236.60
		7,165,247.23
Decreased by Disbursements:		
Collections	5,478,569.47	
Overpayments Applied	1,160,412.22	
	<hr/>	<hr/>
		6,638,981.69
Balance December 31, 2016		\$ <u><u>526,265.54</u></u>

**WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF UTILITY LIENS**

Balance December 31, 2015		\$ -
Increased by Receipts:		
None	-	
	<hr/>	<hr/>
		-
Decreased by Disbursements:		
None	-	
	<hr/>	<hr/>
		-
Balance December 31, 2016		\$ <u><u>-</u></u>

**WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 193,809.68	193,809.68		193,809.68	-
Other Expenses	512,571.00	512,571.00	58,786.85	453,784.15	-
All Other Accounts - No Change	21,748.93	21,748.93		21,748.93	-
	<u>728,129.61</u>	<u>728,129.61</u>	<u>58,786.85</u>	<u>669,342.76</u>	<u>-</u>
	\$ 728,129.61				
Appropriation Reserves	680,866.88				
Encumbrances	<u>47,262.73</u>				
	<u>728,129.61</u>				

**WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
AND ANALYSIS OF BALANCE**

Balance December 31, 2015		\$ 95,817.71
Increased by:		
Budget Appropriations	82,839.58	
	<hr/>	<hr/>
		82,839.58
		178,657.29
Decreased By:		
Payments of Debt Service Interest	95,817.71	
	<hr/>	<hr/>
		95,817.71
Balance December 31, 2016		\$ <u><u>82,839.58</u></u>

Analysis of Accrued Interest December 31, 2016

Principal Outstanding December 31, 2016	Interest Rate	From	To	Days	Amount
250,000.00	Var.	7/15/2016	12/31/2016	169	4,583.33
620,000.00	Var.	7/15/2016	12/31/2016	169	11,160.42
1,030,000.00	Var.	7/15/2016	12/31/2016	169	13,658.33
110,000.00	Var.	8/1/2016	12/31/2016	152	2,583.33
315,000.00	Var.	8/1/2016	12/31/2016	152	6,562.50
255,000.00	Var.	8/1/2016	12/31/2016	152	4,312.50
1,545,000.00	Var.	8/1/2016	12/31/2016	152	32,187.50
420,000.00	Var.	8/1/2016	12/31/2016	152	7,791.67
<hr/>					<hr/>
<u><u>4,545,000.00</u></u>					<u><u>82,839.58</u></u>

**WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations				Deferred Charges to Future Taxation	Paid or Charged	Balance December 31, 2016	
				Balance December 31, 2015	Other Funding	Unfunded	Funded			Funded	Unfunded
8-99	Various Improvements	6/15/99	1,000,000	\$ -					-		
4-00	Various Improvements	6/21/00	2,100,000	200.00			200.00				
20-04	Various Improvements	6/16/04	2,500,000	5,196.37					4,960.00	236.37	
25-08	Various Improvements	9/17/08	450,000	-		2,686.91					2,686.91
5-09; 26-10; 23-11	Various Improvements	4/1/09	7,100,000	156,346.31		-	156,346.31		-	156,346.31	
13-14	Various Improvements	9/3/2014	5,830,000	-		4,053,674.25			339,566.67		3,714,107.58
				\$ 161,742.68		4,056,361.16			344,526.67	156,782.68	3,716,794.49

**WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount					
General Obligation Bonds of 2006	01/15/06	1,750,000.00	1/15/2017	150,000.00	4.00% \$	400,000.00		150,000.00	250,000.00
			1/15/2018	100,000.00	4.00%				
General Obligation Bonds of 2008	3/15/2008	1,800,000	1/15/2017	180,000.00	3.750%	800,000.00		180,000.00	620,000.00
			1/15/2018	180,000.00	4.000%				
			1/15/2019	180,000.00	4.000%				
			1/15/2020	80,000.00	4.000%				
General Obligation Bonds of 2012	07/17/12	1,400,000	07/15/17	110,000.00	2.000%	1,135,000.00		105,000.00	1,030,000.00
			07/15/18	120,000.00	3.000%				
			07/15/19	160,000.00	3.000%				
			07/15/20	160,000.00	3.000%				
			07/15/21	160,000.00	3.000%				
			07/15/22	160,000.00	3.000%				
			07/15/23	160,000.00	3.000%				
						\$ 2,335,000.00	-	435,000.00	1,900,000.00



**WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF WATER AND SEWER LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016			Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount						
State of New Jersey EIT Bonds	11/05/99	\$ 480,000	08/01/17 08/01/18 08/01/19	35,000.00 35,000.00 40,000.00	5.500% 5.700% 5.700%	\$	145,000.00		35,000.00	110,000.00
State of New Jersey EIT Bonds	10/15/2001	635,000					60,000.00		60,000.00	-
State of New Jersey EIT Bonds	10/15/2001	70,000					5,000.00		5,000.00	-
State of New Jersey EIT Bonds	11/4/2004	1,155,000	08/01/17 08/01/18 08/01/19	100,000.00 105,000.00 110,000.00	5.000% 5.000% 5.000%		410,000.00		95,000.00	315,000.00
State of New Jersey EIT Loans	11/5/1999	457,960	08/01/17 08/01/18 08/01/19	24,137.05 22,939.45 24,808.94	0.000%		97,220.08		25,334.64	71,885.44
State of New Jersey EIT Loans	10/15/2001	73,697					3,852.22		3,852.22	-
State of New Jersey EIT Loans	11/4/2004	1,212,500	08/01/17 08/01/18 08/01/19	85,302.20 85,302.20 85,118.12	0.000%		340,140.38		84,417.86	255,722.52
State of New Jersey EIT Bonds	3/10/2010	325,000	08/01/17 08/01/18 08/01/19 08/01/20 08/01/21 08/01/22 08/01/23 08/01/24 08/01/25 08/01/26 08/01/27 08/01/28 08/01/29	15,000.00 15,000.00 15,000.00 15,000.00 20,000.00 20,000.00 20,000.00 20,000.00 20,000.00 20,000.00 25,000.00 25,000.00 25,000.00	Various		270,000.00		15,000.00	255,000.00

**WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF WATER AND SEWER LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount					
State of New Jersey EIT Loans	3/10/2010	931,500	08/01/17	51,750.00	0.000%	702,119.00		51,750.00	650,369.00
			08/01/18	51,750.00					
			08/01/19	51,750.00					
			08/01/20	51,750.00					
			08/01/21	51,750.00					
			08/01/22	51,750.00					
			08/01/23	51,750.00					
			08/01/24	51,750.00					
			08/01/25	51,750.00					
			08/01/26	51,750.00					
			08/01/27	51,750.00					
			08/01/28	51,750.00					
			08/01/29	29,369.00					
State of New Jersey EIT Bonds	2/2/2010	2,335,000	2/1/2017	100,000.00	Various	1,640,000.00		95,000.00	1,545,000.00
			2/1/2018	100,000.00					
			2/1/2019	105,000.00					
			2/1/2020	115,000.00					
			2/1/2021	120,000.00					
			2/1/2022	125,000.00					
			2/1/2023	130,000.00					
			2/1/2024	135,000.00					
			2/1/2025	145,000.00					
			2/1/2026	150,000.00					
			2/1/2027	160,000.00					
			2/1/2028	160,000.00					
State of New Jersey EIT Loans	2/2/2010	2,512,650	2/1/2017	127,761.85	0.000%	1,483,528.03		127,761.85	1,355,766.18
			2/1/2018	127,761.85					
			2/1/2019	127,761.85					
			2/1/2020	127,761.85					
			2/1/2021	127,761.85					
			2/1/2022	127,761.85					
			2/1/2023	127,761.85					
			2/1/2024	127,761.85					
			2/1/2025	127,761.85					
			2/1/2026	127,761.85					
			2/1/2027	78,147.68					

**WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF WATER AND SEWER LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount					
State of New Jersey EIT Bonds	5/28/2015	435,000	08/01/17	15,000.00	Various	435,000.00		15,000.00	420,000.00
			08/01/18	15,000.00					
			08/01/19	15,000.00					
			08/01/20	20,000.00					
			08/01/21	20,000.00					
			08/01/22	20,000.00					
			08/01/23	20,000.00					
			08/01/24	20,000.00					
			08/01/25	20,000.00					
			08/01/26	25,000.00					
			08/01/27	25,000.00					
			08/01/28	25,000.00					
			08/01/29	25,000.00					
			08/01/30	30,000.00					
			08/01/31	30,000.00					
			08/01/32	30,000.00					
			08/01/33	30,000.00					
			08/01/34	35,000.00					
State of New Jersey EIT Loans	5/28/2015	1,049,067	08/01/17	53,342.38	0.000%	1,013,505.41		53,342.38	960,163.03
			08/01/18	53,342.38					
			08/01/19	53,342.38					
			08/01/20	53,342.38					
			08/01/21	53,342.38					
			08/01/22	53,342.38					
			08/01/23	53,342.38					
			08/01/24	53,342.38					
			08/01/25	53,342.38					
			08/01/26	53,342.38					
			08/01/27	53,342.38					
			08/01/28	53,342.38					
			08/01/29	53,342.38					
			08/01/30	53,342.38					
			08/01/31	53,342.38					
			08/01/32	53,342.38					
			08/01/33	53,342.38					
			08/01/34	53,342.57					
						\$ 6,605,365.12		666,458.95	5,938,906.17
							-		

**WATER AND SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number		Balance Dec. 31, 2015	2016 Authorizations	Debt Issued	Balance Dec. 31, 2016
16-94	Various Improvements	\$ 2,500.00			2,500.00
25-08	Various Utility Improvements	75,000.00			75,000.00
13-14	Various Utility Improvements	3,956,667.00			3,956,667.00
		<u>\$ 4,034,167.00</u>	<u>-</u>	<u>-</u>	<u>4,034,167.00</u>

**GOLF COURSE UTILITY FUND  
SCHEDULE OF CASH - TREASURER**

	Operating	Capital
Balance December 31, 2015	\$ 215,416.68	66,843.36
Increased by Receipts:		
Anticipated Revenues	803,637.68	
Miscellaneous	10,778.93	
Due from Current Fund	545,000.00	
	<u>1,359,416.61</u>	<u>-</u>
Decreased by Disbursements:	<u>1,574,833.29</u>	<u>66,843.36</u>
Current Appropriations	1,234,220.87	
Appropriation Reserves	4,392.68	
Due to Current Fund	300,593.01	
Reserve for Payment of Debt Service		2,470.00
Golf Course Capital Fund Balance		7,000.00
Improvement Authorizations		1,628.32
	<u>1,539,206.56</u>	<u>11,098.32</u>
Balance December 31, 2016	\$ <u><u>35,626.73</u></u>	<u><u>55,745.04</u></u>

See Accompanying Auditor's Report

**GOLF COURSE UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Operating:					
Salaries and Wages	\$ 3,566.45	3,566.45		3,566.45	
Other Expenses	2,239.24	9,239.24	4,392.68	4,846.56	
Deferred Charges and Statutory Expenditures:					
Social Security System	2,909.82	2,909.82		2,909.82	
Unemployment	8,179.58	1,179.58		1,179.58	
TOTALS	\$ 16,895.09	16,895.09	4,392.68	12,502.41	-
Appropriation Reserves	14,750.60				
Encumbrances	2,144.49				
	16,895.09				

**GOLF COURSE UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS  
AND NOTES AND ANALYSIS OF BALANCE**

Balance December 31, 2015	\$	20,088.30
Increased By:		
Budget Appropriation:		
Interest on Bonds and Notes	14,398.33	
	<u>14,398.33</u>	
		<u>34,486.63</u>
Decreased By:		
Interest Paid on Bonds and Notes	20,088.30	
	<u>20,088.30</u>	
Balance December 31, 2016	\$	<u><u>14,398.33</u></u>

**Analysis of Accrued Interest December 31, 2016**

Principal Outstanding Dec. 31, 2016	Interest Rate	From	To	Days	Amount
\$ 719,000.00	2.00%	12/2/2016	12/31/2016	30	\$ 1,198.33
720,000.00	var.	7/15/2016	12/31/2016	165	13,200.00
<u>\$ 1,439,000.00</u>					<u>\$ 14,398.33</u>



114

**GOLF COURSE UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Dec. 31, 2016	Amount					
General Obligation Bonds	1/15/2005	\$ 4,000,000	1/15/2017		360,000.00	4.000%	\$ 1,070,000.00		350,000.00	720,000.00
			1/15/2018		360,000.00	4.000%				
							\$ 1,070,000.00	-	350,000.00	720,000.00

**GOLF COURSE UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
6-13	Golf Course Improvements	12/12/13	12/3/2015 12/1/2016	12/2/2016 11/30/2017	1.500% 2.000%	266,000.00 -	464,000.00	266,000.00	464,000.00
32-06	Golf Course Improvements	12/20/12	12/3/2015 12/1/2016	12/2/2016 11/30/2017	1.500% 2.000%	482,000.00 -	255,000.00	482,000.00	255,000.00
						<u>\$ 748,000.00</u>	<u>719,000.00</u>	<u>748,000.00</u>	<u>719,000.00</u>

**GOLF COURSE UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Bonds, Notes or Grants Issued	Balance Dec. 31, 2016
6-13	Golf Course Improvements	\$ 950.00			950.00
		\$ 950.00	-	-	950.00

**CITY OF BRIGANTINE**

**PART II**

**GENERAL COMMENTS AND FINDINGS AND RESPONSES**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2016**



## **GENERAL COMMENTS**

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. Due to the City having a Qualified Purchasing Agent, pursuant to N.J.S.A. 40A:11-3(a), the maximum bid threshold is \$40,000.

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

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

- Library Window Replacement
- Brigantine Streetscape Revitalization Project
- Emergency Generator at City Fire Department and Police Station (re-bid)
- Boat Ramp Repairs – Lafayette Utility Construction
- Bulkhead Cap on 12<sup>th</sup> Street North and East Shore Drive

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

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

The statutes provide 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 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**BE IT RESOLVED** by the City Council of the City of Brigantine, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the City of Brigantine, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

**BE IT FURTHER RESOLVED** by the City Council of the City of Brigantine, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2016.

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

## Delinquent Taxes and Tax Title Liens

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

The following comparison is made of the number of tax title liens receivable on December 31<sup>st</sup> of the last three years:

<u>Year</u>	<u>Number</u>
2016	8
2015	8
2014	8

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

## Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2016 and 2017 Taxes	25
Delinquent Taxes	25
Payment of Water and Sewer Rents	25
Delinquent Water and Sewer Rents	25
Total	<u>100</u>

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

## Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2016 \$	57,451,732.97	56,553,618.23	98.44%
2015	57,604,574.91	56,861,540.46	98.71%
2014	55,257,100.31	54,504,687.39	98.64%
2013	55,713,742.41	53,694,108.42	96.37%
2012	53,555,455.92	50,608,372.51	94.50%

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## Comparative Schedule of Tax Rate Information

		<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	\$	1.764	1.773	1.707	1.308	1.203
Apportionment of Tax Rate:						
Municipal		0.699	0.710	0.711	0.522	0.488
County		0.545	0.541	0.475	0.373	0.315
Local School		0.520	0.522	0.521	0.413	0.400

Assessed Valuation                      3,234,529,700   3,231,377,000   3,229,220,200   4,254,101,962   4,446,203,020  
R

R - Revalued

## Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2016 \$	77,916.52	675,351.95	753,268.47	1.31%
2015	55,720.96	478,064.21	533,785.17	0.93%
2014	35,947.35	607,409.73	643,357.08	1.16%
2013	5,220.80	524,231.78	529,452.58	0.95%
2012	5,952.29	630,976.42	636,928.71	1.19%

## Uniform Construction Code

The City of Brigantine's construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b) 2 and NJAC 5:23.4.17(b) 3.

## Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

"All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either:

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository."

Our examination revealed that municipal funds were deposited within the mandated time.

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## **RECOMMENDATIONS**

None

Should any questions arise as to my comments or recommendations, or should you desire assistance un implementing my recommendations, please do not hesitate to contact me.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**June 23, 2017**