

Report of Audit

on the

Financial Statements

of the

Township of Ocean

in the

County of Monmouth
New Jersey

for the

Year Ended
December 31, 2015

TOWNSHIP OF OCEAN

I N D E X

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-3
	<u>EXHIBITS</u>
<u>Financial Statements - Regulatory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis for the Years Ended December 31, 2015 and 2014	"A-1"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2015	"A-2"
Statement of Expenditures - Regulatory Basis -Year Ended December 31, 2015	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
Statement of Fund Balance - Regulatory Basis	"B-1"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Fund Balance - Regulatory Basis	"C-1"
<u>Public Assistance Fund</u>	
Balance Sheets - Regulatory Basis	"D"
<u>General Fixed Assets Account Group</u>	
Balance Sheet - Regulatory Basis	"E"
	<u>PAGES</u>
Notes to Financial Statements	4-34

TOWNSHIP OF OCEAN

I N D E X (CONTINUED)

Supplementary Schedules - All Funds

EXHIBITS

Current Fund:

Schedule of Cash-Treasurer	"A-4"
Schedule of Cash-Collector	"A-5"
Schedule of Change Fund	"A-6"
Schedule of Petty Cash	"A-7"
Schedule of Due to State of New Jersey for Senior Citizens and Veterans Deductions	"A-8"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-9"
Schedule of Tax Title Liens	"A-10"
Schedule of Property Acquired for Taxes (at Assessed Valuation)	"A-11"
Schedule of Revenue Accounts Receivable	"A-12"
Schedule of Deferred Charges N.J.S. 40A:4-55 Special Emergency	"A-13"
Schedule of 2014 Appropriation Reserves	"A-14"
Schedule of Reserve for Encumbrances	"A-15"
Schedule of Accounts Payable	"A-16"
Schedule of Prepaid Fees and Licenses	"A-17"
Schedule of Reserve for Revaluation	"A-18"
Schedule of Prepaid Taxes	"A-19"
Schedule of Tax Overpayments	"A-20"
Schedule of Reserve for Library Expenditures	"A-21"
Schedule of Reserve for Due Township of Ocean Sewerage Authority	"A-22"
Schedule of Reserve for Deposit on Sale of Land	"A-23"
Schedule of Tax Appeals	"A-24"
Schedule of Reserve for Sale of Municipal Assets	"A-25"
Schedule of Reserve Due State of New Jersey	"A-26"
Schedule of Local District School Tax	"A-27"
Schedule of County Taxes Payable	"A-28"
Schedule of Due County for Added Taxes	"A-29"
Schedule of Fire District Taxes Payable	"A-30"
Schedule of Interfunds	"A-31"
Schedule of Grants Receivable	"A-32"
Schedule of Reserve for Grants-Appropriated	"A-33"
Schedule of Reserve for Grants-Unappropriated	"A-34"

TOWNSHIP OF OCEAN

I N D E X (CONTINUED)

EXHIBITS

Trust Fund:

Schedule of Trust Cash-Treasurer	"B-2"
Schedule of Trust Cash-Collector	"B-3"
Analysis of Assessment Cash	"B-4"
Schedule of Assessments Receivable	"B-5"
Schedule of Due General Capital Fund	"B-6"
Schedule of Reserve for Assessments	"B-7"
Schedule of Animal License Fees Due State of New Jersey	"B-8"
Schedule of Reserve for Animal Control Fund Expenditures	"B-9"
Schedule of Reserve for Encumbrances	"B-10"
Schedule of Reserve for State Unemployment Insurance	"B-11"
Schedule of Reserve for Payroll Deductions Payable	"B-12"
Schedule of Reserve for Miscellaneous Deposits and Reserves	"B-13"
Schedule of Due Current Fund	"B-14"

General Capital Fund:

Schedule of General Capital Cash	"C-2"
Analysis of General Capital Cash and Investments	"C-3"
Schedule of Due Current Fund	"C-4"
Schedule of Deferred Charges to Future Taxation-Funded	"C-5"
Schedule of Deferred Charges to Future Taxation-Unfunded	"C-6"
Schedule of Capital Improvement Fund	"C-7"
Schedule of Improvement Authorizations	"C-8"
Schedule of Due Assessment Trust Fund	"C-9"
Schedule of General Serial Bonds	"C-10"
Schedule of Bond Anticipation Notes	"C-11"
Schedule of Due Grant Fund	"C-12"
Schedule of Contracts Payable	"C-13"
Schedule of Various Reserves	"C-14"
Schedule of Grants Receivable	"C-15"
Schedule of Bonds and Notes Authorized But Not Issued	"C-16"

Public Assistance Trust Fund:

Schedule of Public Assistance Cash-Treasurer	"D-1"
Schedule of Public Assistance Cash and Reconciliation per N.J.S.A. 40A:5-5	"D-2"
Schedule of Public Assistance Cash and Reconciliation for the Year Ended December 31, 2015	"D-3"
Schedule of Public Assistance Expenditures for the Year Ended December 31, 2015	"D-4"

TOWNSHIP OF OCEAN

I N D E X (CONTINUED)

	<u>PAGES</u>
<u>PART II</u>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	35-36
Schedule of Expenditures of Federal Awards - Year Ended December 31, 2015	37
Schedule of Expenditures of State Financial Assistance - Year Ended December 31, 2015	38
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance - Year Ended December 31, 2015	39-40
Summary Schedule of Prior Year Findings for the Year Ended December 31, 2015	41
<u>PART III</u>	
Statistical Data	42-44
Officials in Office and Surety Bonds	45
Comments and Recommendations	46-49

TOWNSHIP OF OCEAN

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS – REGULATORY BASIS – ALL FUNDS

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2015



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Ocean
County of Monmouth
Oakhurst, New Jersey 07755-1589

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Ocean, as of December 31, 2015 and 2014, 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 individual funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's regulatory 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 regulatory 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 regulatory 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.

SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 Township of Ocean'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 Township of Ocean'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 regulatory 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 regulatory financial statements, the regulatory financial statements are prepared by the Township of Ocean 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 the various individual funds and account group of the Township of Ocean as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2015.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2015 and 2014, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2015 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 Township of Ocean's regulatory financial statements. The supplementary information and data and the schedules of expenditures of federal awards and state financial assistance as listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory 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 and data listed in the table of contents, schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2016 on our consideration of the Township of Ocean'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 Township of Ocean's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 24, 2016

CURRENT FUND

TOWNSHIP OF OCEAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
Current Fund:			
Cash - Treasurer	A-4	\$ 12,621,488.57	\$ 12,902,754.06
Change Fund	A-6	<u>2,320.00</u>	<u>2,320.00</u>
		<u>\$ 12,623,808.57</u>	<u>\$ 12,905,074.06</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 1,320,821.51	\$ 1,387,733.91
Tax Title Liens Receivable	A-10	607,107.50	549,201.21
Property Acquired for Taxes - Assessed Valuation	A-11	848,681.00	848,681.00
Revenue Accounts Receivable	A-12	32,855.08	40,588.43
Interfunds Receivable	A-31	293.44	17.24
Prepaid Expense		<u>16,093.36</u>	
	A	<u>\$ 2,825,851.89</u>	<u>\$ 2,826,221.79</u>
Deferred Charges:			
Special Emergency Appropriation (40A:4-55)	A-13	\$ 560,000.00	\$ _____
		<u>\$ 560,000.00</u>	<u>\$ _____</u>
		<u>\$ 16,009,660.46</u>	<u>\$ 15,731,295.85</u>
Grant Fund:			
Cash	A-4	\$ 14,059.69	\$ 9,246.69
Grants Receivable	A-32	296,427.70	357,530.62
Interfunds Receivable	A-31	<u>687,488.52</u>	<u>609,899.84</u>
		<u>\$ 997,975.91</u>	<u>\$ 976,677.15</u>

TOWNSHIP OF OCEAN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2015	BALANCE DECEMBER 31, 2014
Current Fund:			
Liabilities:			
Due to State of New Jersey Per Chapter 20, P.L. 1971 - Senior Citizens Deductions	A-8	\$ 15,500.00	\$ 12,750.00
Appropriation Reserves	A-3:A-14	2,059,241.81	1,676,443.51
Encumbrances Payable	A-15	578,569.05	581,108.35
Accounts Payable	A-16	66,270.94	32,039.56
Prepaid Fees and Permits	A-17	6,245.00	25,635.00
Prepaid Taxes	A-19	1,035,564.25	933,063.07
Tax Overpayments	A-20	157,563.63	78,777.95
Due Township of Ocean Sewerage Authority	A-22	285.04	285.04
Local District School Tax Payable	A-27	144,818.14	905,447.12
Interfunds Payable	A-31	687,488.52	615,647.93
Reserve for:			
Security Deposit		2,500.00	2,500.00
Revaluation	A-18	479,000.00	
Library Expenditures	A-21	46,773.52	44,641.07
Tax Appeals	A-24	450,000.00	450,000.00
Sale of Municipal Assets	A-25	67,242.88	977.85
Due State of New Jersey	A-26	7,197.00	9,144.00
Deposit on Sale of Land	A-23	10,909.01	10,109.00
County Taxes Payable	A-29	76,705.74	22,007.61
		\$ 5,891,874.53	\$ 5,400,577.06
Reserve for Receivables	A	2,825,851.89	2,826,221.79
Fund Balance	A-1	7,291,934.04	7,504,497.00
		\$ 16,009,660.46	\$ 15,731,295.85
Grant Fund:			
Reserve for Grants:			
Appropriated	A-33	\$ 834,758.95	\$ 742,406.84
Unappropriated	A-34	5,467.46	68,590.38
Encumbrances Payable	A-15	21,749.50	29,679.93
Due General Capital Fund		136,000.00	136,000.00
		\$ 997,975.91	\$ 976,677.15

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

TOWNSHIP OF OCEAN

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	REF.	YEAR 2015	YEAR 2014
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-2	\$ 6,550,000.00	\$ 6,625,000.00
Receipts from Delinquent Taxes	A-2	1,411,553.08	1,224,250.87
Receipts from Current Taxes	A-2	96,177,192.93	94,881,599.74
Miscellaneous Revenue Anticipated	A-2	7,270,878.07	6,810,891.71
Non-Budget Revenue	A-2	1,113,079.45	3,009,532.90
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	1,699,187.34	802,246.89
Accounts Payable Cancelled	A-16	27,283.00	161,131.64
Interfunds Returned			250.86
<u>TOTAL INCOME</u>		<u>\$ 114,249,173.87</u>	<u>\$ 113,514,904.61</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations (Within "CAPS"):			
Operations (Including Contingent)	A-3	\$ 24,656,081.00	\$ 23,439,074.00
Deferred Charges and Statutory Expenditures Municipal	A-3	2,820,041.00	2,828,178.00
Budget (Excluded from "CAPS"):			
Operations	A-3	716,752.41	904,456.23
Capital Improvements	A-3	160,000.00	227,734.00
Municipal Debt Service	A-3	3,059,452.91	3,037,309.03
Deferred Charges - Municipal	A-3		100,628.16
Local District School Tax	A-27	60,040,620.00	59,139,484.00
County Taxes	A-28	13,679,632.45	13,491,371.74
Due County for Added and Omitted Taxes	A-29	76,705.74	22,007.35
Fire District Taxes	A-30	3,042,926.00	2,890,716.00
Refund of Prior Year's Revenue	A-4	198,655.76	207,299.99
Prior Years Tax Appeals			450,000.00
Prior Year Senior Citizens Disallowed	A-8	4,500.00	1,750.00
Interfunds Advanced		276.20	
Reserve for Miscellaneous Accounts Receivable		16,093.36	
<u>TOTAL EXPENDITURES</u>		<u>\$ 108,471,736.83</u>	<u>\$ 106,740,008.50</u>
Excess in Revenue		\$ 5,777,437.04	\$ 6,774,896.11
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are Deferred			
Charges to Budget of Succeeding Year		560,000.00	
Statutory Excess to Fund Balance		<u>\$ 6,337,437.04</u>	<u>\$ 6,774,896.11</u>
<u>FUND BALANCE</u>			
Balance, January 1	A	7,504,497.00	7,354,600.89
		<u>\$ 13,841,934.04</u>	<u>\$ 14,129,497.00</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	6,550,000.00	6,625,000.00
Balance, December 31	A	<u>\$ 7,291,934.04</u>	<u>\$ 7,504,497.00</u>

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

TOWNSHIP OF OCEAN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

REF.	ANTICIPATED		SPECIAL N.J.S. 40A: 4-87	REALIZED	EXCESS OR (DEFICIT)
	BUDGET				
Fund Balance Appropriated	A-1	\$ 6,550,000.00		\$ 6,550,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-12	\$ 35,000.00		\$ 43,564.00	8,564.00
Other	A-2	63,966.00		92,444.00	28,478.00
Fees and Permits:					
Construction Code Official	A-12	450,000.00		608,126.00	158,126.00
Other	A-2	566,180.00		663,927.14	97,747.14
Fines and Costs:					
Municipal Court	A-12	410,000.00		496,482.43	86,482.43
Interest and Costs on Taxes	A-12	215,000.00		394,420.89	179,420.89
Interest on Investments and Deposits	A-12	100,991.00		86,686.83	(14,304.17)
Payment in Lieu of Taxes - Senior Citizens Housing	A-12	36,023.00		63,929.07	27,906.07
Swim Pool Membership Fees	A-2	156,271.00		149,104.50	(7,166.50)
Swim Pool Guest Fees	A-12	60,000.00		89,029.00	29,029.00
Colonial Terrace Golf Course	A-12	299,604.00		327,171.00	27,567.00
Consolidated Municipal Property Tax Relief Aid	A-12	2,528,544.00		2,528,544.00	
Sewerage Authority Interlocal Agreement	A-12	81,065.00		81,065.00	
Recycling Tonnage Grant	A-32	55,092.35		55,092.35	
Drunk Driving Enforcement Fund	A-32	8,021.30		8,021.30	
Clean Communities Program	A-32		66,285.03	66,285.03	
Safe and Secure Communities	A-32	60,000.00		60,000.00	
Body Armor Replacement Fund	A-32	5,476.73		5,476.73	
ASAM Level II Grant	A-32	75,000.00		75,000.00	
Human Services I.O.P. Adults Grant	A-32	65,000.00		65,000.00	
Reserve for Payment of Bonds	A-12	249,778.00		249,778.00	
Swim Pool & Tennis Club Snack Bar	A-12	50,000.00		70,776.08	20,776.08
Project Extend	A-12	475,000.00		553,718.72	78,718.72
West Long Branch Court Shared Service	A-12	135,150.00		135,150.00	
Municipal Utility Authority Surplus Transfer	A-12	278,367.00		278,637.00	270.00
Municipal Safety Incentive Grant	A-32		3,849.00	3,849.00	
Monmouth County Recycling Stimulus	A-32		10,000.00	10,000.00	
Community Hope Fund DARE Grant	A-32		9,600.00	9,600.00	
	A-1	\$ 6,459,529.38	\$ 89,734.03	\$ 7,270,878.07	\$ 721,614.66
Receipts From Delinquent Taxes	A-1	\$ 1,000,000.00		\$ 1,411,553.08	411,553.08
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Budget	A-2:A-9	\$ 20,668,097.94		\$ 23,249,390.68	2,581,292.74
Budget Totals		\$ 34,677,627.32	\$ 89,734.03	\$ 38,481,821.83	3,714,460.48
Non-Budget Revenue	A-1:A-2			1,113,079.45	1,113,079.45
		\$ 34,677,627.32	\$ 89,734.03	\$ 39,594,901.28	4,827,539.93
REF.	A-3		A-3		

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

TOWNSHIP OF OCEAN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:			
Collections on a Cash Basis	A-9	\$	96,627,192.93
Less: Reserve for Tax Appeals	A-24		450,000.00
Revenue from Collections	A-1	\$	<u>96,177,192.93</u>
Allocated to:			
School and County Taxes			<u>76,839,884.19</u>
Balance for Support of Municipal Budget Appropriations		\$	19,337,308.74
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>3,912,081.94</u>
Amount for Support of Municipal Budget	A-2	\$	<u><u>23,249,390.68</u></u>
Licenses - Other			
Clerk	A-12	\$	72,299.00
Add: Prepaid Applied	A-17		<u>20,145.00</u>
	A-2	\$	<u><u>92,444.00</u></u>
Fees and Permits - Other:			
Clerk	A-12	\$	179,800.00
Police Department	A-12		101,702.62
Board of Adjustment	A-12		37,630.00
Planning Board	A-12		49,113.62
Construction Code - Local Fees	A-12		36,025.00
Recreation	A-12		167,870.90
Public Works	A-12		17,170.00
Human Services	A-12		72,476.50
Tax Collector	A-12		<u>30.00</u>
			661,818.64
Add: Prepaid Applied	A-18		<u>2,640.00</u>
		\$	<u>664,458.64</u>
Less : Refunds Payable	A-17		<u>531.50</u>
	A-2	\$	<u><u>663,927.14</u></u>
Swim Pool Membership Fees			
Add: Prepaid Applied	A-17	\$	<u>36,790.00</u>
	A-2	\$	<u><u>149,104.50</u></u>

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

TOWNSHIP OF OCEAN

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>ANALYSIS OF NON-BUDGET REVENUE</u>	<u>REF.</u>		
Miscellaneous Revenue Not Anticipated:			
Treasurer:			
Sale Gasoline/Diesel		\$	45,004.78
Facility Rental			108,736.75
Developers Agreements			6,300.00
Billboard Rental			42,874.97
Tower Lease			151,123.74
Sale of Scrap and Mixed Paper			29,113.42
Student Assistance			33,880.00
Cable Franchise Fee (Verizon)			433,687.30
Police Internet Auction			3,801.45
Police Cars/ Admin Fee			55,810.00
Senior Citizens and Veterans - Admin. Fee			4,310.00
Boise Business Interiors Rent			3,811.33
Garbage Cart Lease			10,800.00
Miscellaneous			183,940.71
	A-4	\$	1,113,194.45
Less: Refunds Payable	A-16		115.00
	A-2:A-4	\$	<u>1,113,079.45</u>

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

TOWNSHIP OF OCEAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>GENERAL GOVERNMENT:</u>					
Official of the Governing Body:					
Salaries and Wages	\$ 27,550.00	\$ 27,550.00	\$ 27,549.94	\$ 0.06	
Other Expenses	6,400.00	7,400.00	7,243.84	156.16	
Office of the Township Manager:					
Salaries and Wages	274,293.00	274,293.00	271,071.41	3,221.59	
Other Expenses	42,100.00	42,100.00	38,207.30	3,892.70	
Office of the Township Clerk:					
Salaries and Wages	177,804.00	184,904.00	183,986.71	917.29	
Other Expenses	64,550.00	67,050.00	64,500.12	2,549.88	
Financial Administration:					
Salaries and Wages	306,781.00	306,781.00	305,213.54	1,567.46	
Other Expenses	22,050.00	22,050.00	15,924.46	6,125.54	
Audit	33,000.00	33,000.00	33,000.00		
Data Processing:					
Salaries and Wages	87,983.00	87,983.00	84,574.92	3,408.08	
Other Expenses	141,650.00	153,650.00	138,536.20	15,113.80	
Collection of Taxes:					
Salaries and Wages	69,314.00	71,314.00	70,988.71	325.29	
Other Expenses	12,500.00	12,500.00	9,489.79	3,010.21	
Assessment of Taxes:					
Salaries and Wages	151,950.00	157,150.00	156,734.70	415.30	
Other Expenses (Special Emergency \$560,000.00)	97,625.00	657,625.00	633,683.43	23,941.57	
Legal Services and Costs:					
Other Expenses	281,000.00	341,000.00	328,279.61	12,720.39	
Engineering Services and Costs:					
Other Expenses	73,300.00	73,300.00	7,566.25	65,733.75	
Planning Board:					
Other Expenses	14,600.00	14,600.00	11,053.22	3,546.78	
Board of Adjustment:					
Other Expenses	22,400.00	46,900.00	40,220.07	6,679.93	
Office of Planning Administration:					
Salaries and Wages	250,665.00	250,665.00	242,007.08	8,657.92	
Other Expenses	14,800.00	14,800.00	3,218.04	11,581.96	
Insurance:					
General Liability	406,814.00	406,814.00	382,744.67	24,069.33	
Workers Compensation Insurance	665,264.00	665,264.00	665,263.20	0.80	
Employees Group	2,701,770.00	2,701,770.00	2,021,360.88	680,409.12	
Employee Health Benefits Waiver	54,000.00	61,500.00	61,458.26	41.74	

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

TOWNSHIP OF OCEAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>PUBLIC SAFETY:</u>					
Police:					
Salaries and Wages	\$ 7,024,691.00	\$ 6,924,691.00	\$ 6,765,717.05	\$ 158,973.95	\$
Other Expenses	287,760.00	287,760.00	282,163.36	5,596.64	
Police Dispatch/911:					
Salaries and Wages	418,467.00	435,467.00	428,974.21	6,492.79	
Other Expenses	1,750.00	1,750.00	750.00	1,000.00	
Office of Emergency Management:					
Other Expenses	2,870.00	2,870.00	2,769.64	100.36	
Municipal Prosecutor:					
Other Expenses	33,000.00	33,000.00	30,350.00	2,650.00	
<u>PUBLIC WORKS:</u>					
Office of the Director:					
Salaries and Wages	310,088.00	310,088.00	309,520.77	567.23	
Other Expenses	22,200.00	22,200.00	17,844.60	4,355.40	
Street and Roads Maintenance:					
Salaries and Wages	750,054.00	740,054.00	730,362.81	9,691.19	
Other Expenses	264,000.00	234,000.00	189,046.90	44,953.10	
Maintenance of Equipment:					
Salaries and Wages	293,701.00	283,701.00	256,498.84	27,202.16	
Other Expenses	462,000.00	492,000.00	490,867.11	1,132.89	
Garbage and Trash Removal:					
Salaries and Wages	939,359.00	931,359.00	910,934.97	20,424.03	
Other Expenses	8,250.00	8,250.00	5,319.99	2,930.01	
Recycling:					
Other Expenses	2,140.00	2,140.00		2,140.00	
Public Buildings and Grounds:					
Salaries and Wages	719,280.00	719,280.00	706,978.57	12,301.43	
Other Expenses	314,500.00	314,500.00	278,134.21	36,365.79	
Community Services Act:					
Other Expenses	116,000.00	116,000.00	51,634.48	64,365.52	
<u>HEALTH AND HUMAN SERVICES:</u>					
Board of Health:					
Salaries and Wages	131,131.00	141,131.00	138,496.17	2,634.83	
Other Expenses	237,078.00	237,078.00	223,197.72	13,880.28	
Animal Control Services:					
Other Expenses	58,000.00	58,000.00	43,500.00	14,500.00	
Project Extend:					
Salaries and Wages	294,282.00	269,282.00	247,686.15	21,595.85	
Other Expenses	45,020.00	45,020.00	38,451.07	6,568.93	

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

TOWNSHIP OF OCEAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>HEALTH AND HUMAN SERVICES:</u>					
Community Services Department:					
Salaries and Wages	\$ 450,713.00	\$ 455,713.00	\$ 447,278.06	\$ 8,434.94	\$
Other Expenses	34,358.00	34,358.00	18,253.54	16,104.46	
Newsletter	10,000.00	10,000.00	4,253.00	5,747.00	
<u>PARKS AND RECREATION:</u>					
Recreation:					
Salaries and Wages	451,870.00	426,870.00	394,336.15	32,533.85	
Other Expenses	78,725.00	78,725.00	65,989.98	12,735.02	
Senior Citizens Transportation:					
Other Expenses	17,950.00	17,950.00	12,510.00	5,440.00	
Pool and Tennis Club:					
Salaries and Wages	91,478.00	36,978.00	36,713.89	264.11	
Other Expenses	50,275.00	140,275.00	138,047.23	2,227.77	
Pool and Tennis Club Snack Bar:					
Salaries and Wages	18,202.00	18,202.00	18,111.65	90.35	
Other Expenses	29,500.00	29,500.00	29,111.03	388.97	
Colonial Terrace Golf Course:					
Salaries and Wages	84,825.00	84,825.00	80,972.57	3,852.43	
Other Expenses	280,961.00	280,961.00	272,161.70	8,799.30	
Celebration of Public Events, Anniversary of Holiday:					
Other Expenses	31,000.00	31,000.00	28,456.40	2,543.60	
<u>EDUCATION FUNCTIONS:</u>					
Maintenance of Free Public Library:					
Salaries and Wages	7,000.00	7,000.00	7,000.00		
Other Expenses	25,500.00	25,500.00	25,500.00		
<u>OTHER COMMON OPERATING FUNCTIONS:</u>					
Formula Participation in Deal Lake Commission:					
Other Expenses	19,750.00	19,750.00	19,750.00		
Purchase of Township Vehicles:					
Other Expenses	116,900.00	116,900.00	81,425.63	35,474.37	
Postage	50,000.00	66,000.00	65,802.74	197.26	
Deferred Vacation Leave Fund	100,000.00	150,000.00	150,000.00		
Deferred Sick Leave Fund	250,000.00	200,000.00	200,000.00		
Shade Tree Commission:					
Other Expenses	2,000.00	2,000.00	1,795.33	204.67	
Environmental Commission (N.J.S.A. 40:56A-1 et. seq):					
Other Expenses	2,425.00	2,425.00	649.80	1,775.20	
<u>UTILITY EXPENSES AND BULK PURCHASES:</u>					
Electric	285,000.00	279,000.00	236,013.05	42,986.95	
Street Lighting	240,000.00	240,000.00	201,303.78	38,696.22	

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

TOWNSHIP OF OCEAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>UTILITY EXPENSES AND BULK PURCHASES:</u>					
Telephone	\$ 57,200.00	\$ 57,200.00	\$ 49,603.64	\$ 7,596.36	
Water	55,000.00	80,000.00	66,718.26	13,281.74	
Natural Gas	97,000.00	97,000.00	74,241.20	22,758.80	
Heating Oil	15,600.00	15,600.00	8,337.57	7,262.43	
Age Processing Disposal	19,100.00	19,100.00	8,235.70	10,864.30	
Fuel	550,000.00	475,000.00	287,256.95	187,743.05	
Landfill/Solid Waste Costs:					
Other Expenses	826,500.00	851,500.00	746,001.02	105,498.98	
State Uniform Construction Code-Construction Official:					
Salaries and Wages	343,526.00	343,526.00	320,188.98	23,337.02	
Other Expenses	76,250.00	76,250.00	67,639.55	8,610.45	
Municipal Court:					
Salaries and Wages	280,486.00	270,486.00	248,151.75	22,334.25	
Other Expenses	15,275.00	15,275.00	11,001.97	4,273.03	
Public Defender (P.L. 1997, C. 256):					
Salaries and Wages	16,628.00	16,628.00	7,593.55	9,034.45	
Other Expenses	3,000.00	3,000.00	500.00	2,500.00	
Garbage and Trash Removal:					
Reimbursement to Multi-Family Dwellings:					
Other Expenses	285,000.00	285,000.00	260,716.80	24,283.20	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>24,104,781.00</u>	<u>24,651,081.00</u>	<u>22,644,697.44</u>	<u>2,006,383.56</u>	
CONTINGENT	5,000.00	5,000.00		5,000.00	
<u>TOTAL OPERATIONS (INCLUDING CONTINGENT) WITHIN "CAPS"</u>	<u>24,109,781.00</u>	<u>24,656,081.00</u>	<u>22,644,697.44</u>	<u>2,011,383.56</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL</u>					
Contribution To:					
Public Employees Retirement System	707,501.00	716,001.00	715,539.06	461.94	
Social Security System (O.A.S.I.)	624,354.00	624,354.00	607,076.06	17,277.94	
Police and Firemen's Retirement System of N.J.	1,436,486.00	1,436,686.00	1,436,611.49	74.51	
Unemployment Trust Reserve Account	30,000.00	30,000.00	30,000.00		
Defined Benefit Contribution Plan	8,000.00	13,000.00	8,966.38	4,033.62	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>	<u>2,806,341.00</u>	<u>2,820,041.00</u>	<u>2,798,192.99</u>	<u>21,848.01</u>	
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>26,916,122.00</u>	<u>27,476,122.00</u>	<u>25,442,890.43</u>	<u>2,033,231.57</u>	

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

TOWNSHIP OF OCEAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Recycling Tax:					
Other Expenses	\$ 28,675.00	\$ 28,675.00	\$ 28,675.00	\$	
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	28,675.00	28,675.00	28,675.00		
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
Sewage Authority Interlocal Agreement	81,065.00	81,065.00	80,054.76	1,010.24	
TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS	81,065.00	81,065.00	80,054.76	1,010.24	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
State of New Jersey - Supplemental Fire Services					
Other Expenses	9,841.00	9,841.00	9,841.00		
Municipal Safety Incentive Grant					
Other Expenses		3,849.00	3,849.00		
State Of New Jersey-Safe And Secure Communities					
State Portion:					
Salaries and Wages	60,000.00	60,000.00	60,000.00		
Matching Grant Portion					
Salaries and Wages	187,090.00	187,090.00	187,090.00		
Other Expenses	26,757.00	26,757.00	26,757.00		
Community Hope Fund DARE Grant (N.J.S.A.:40A-4-87 +9,600.00)					
Other Expenses		9,600.00	9,600.00		
Drunk Driving Enforcement Fund					
Police:					
Salaries and Wages	4,010.65	4,010.65	4,010.65		
Other Expenses	4,010.65	4,010.65	4,010.65		
State of New Jersey-Clean Communities (N.J.S.A.:40A-4-87 +66,285.03)		66,285.03	66,285.03		
Recycling Tonnage Grant	55,092.35	55,092.35	55,092.35		
Monmouth County Recycling Stimulus (N.J.S.A.:40A:4-87 +10,000.00)		10,000.00	10,000.00		
Body Armor Replacement Fund:					
Other Expenses	5,476.73	5,476.73	5,476.73		
ASAM Level II Grant	75,000.00	75,000.00	75,000.00		
Human Services L.O.P. Adult Grant	65,000.00	65,000.00	65,000.00		
Matching Funds for Grants	25,000.00	25,000.00		25,000.00	
TOTAL PUBLIC AND PRIVATE PROGS. OFFSET BY REVENUES	517,278.38	607,012.41	582,012.41	25,000.00	

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

TOWNSHIP OF OCEAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$	
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	<u>160,000.00</u>	<u>160,000.00</u>	<u>160,000.00</u>		
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	1,678,000.00	1,678,000.00	1,678,000.00		
Payment of Bond Anticipation Notes	324,000.00	324,000.00	324,000.00		
Interest on Bonds	1,040,405.00	1,040,405.00	1,040,332.41		72.59
Interest on Notes	20,000.00	20,000.00	17,120.50		2,879.50
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>3,062,405.00</u>	<u>3,062,405.00</u>	<u>3,059,452.91</u>		<u>2,952.09</u>
<u>TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"</u>	<u>3,849,423.38</u>	<u>3,939,157.41</u>	<u>3,910,195.08</u>	<u>26,010.24</u>	<u>2,952.09</u>
SUB-TOTAL GENERAL APPROPRIATIONS	30,765,545.38	31,415,279.41	29,353,085.51	2,059,241.81	2,952.09
RESERVE FOR UNCOLLECTED TAXES	3,912,081.94	3,912,081.94	3,912,081.94		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 34,677,627.32</u>	<u>\$ 35,327,361.35</u>	<u>\$ 33,265,167.45</u>	<u>\$ 2,059,241.81</u>	<u>\$ 2,952.09</u>
	REF.	A-2	A-1	A:A-1	
Budget	A-3	\$ 34,677,627.32			
Appropriations by 40A:4-87	A-2	89,734.03			
Special Emergency 40A: 4-55	A-13	560,000.00			
		<u>\$ 35,327,361.35</u>			
Encumbrances	A-15		\$ 578,569.05		
Grants Programs	A-33		582,012.41		
Reserve for Revaluation	A-18		560,000.00		
Reserve for Uncollected Taxes	A-2		3,912,081.94		
Disbursed	A-4	\$ 28,236,115.32			
Less: Refunds	A-4	603,611.27			
			<u>27,632,504.05</u>		
			<u>\$ 33,265,167.45</u>		

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

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TRUST FUND

TOWNSHIP OF OCEAN

TRUST FUND

BALANCE SHEETS-REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2015	BALANCE DECEMBER 31, 2014
<u>ASSETS</u>			
Assessment Fund:			
Cash	B-2; B-4	\$ 247,052.73	\$ 207,595.84
Assessments Receivable	B-5	38,413.00	77,859.52
		<u>\$ 285,465.73</u>	<u>\$ 285,455.36</u>
Animal Control Fund:			
Cash	B-2	\$ 22,497.48	\$ 22,494.93
		<u>\$ 22,497.48</u>	<u>\$ 22,494.93</u>
Other Funds:			
Cash	B-2	\$ 8,090,223.94	\$ 7,048,395.45
		<u>\$ 8,090,223.94</u>	<u>\$ 7,048,395.45</u>
		<u>\$ 8,398,187.15</u>	<u>\$ 7,356,345.74</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Due General Capital Fund	B-6	\$ 85,500.00	\$ 85,500.00
Due Current Fund	B-14	11.48	1.11
Reserve for Assessments Receivable	B-7	12,072.37	20,990.03
Fund Balance	B-1	187,881.88	178,964.22
		<u>\$ 285,465.73</u>	<u>\$ 285,455.36</u>
Animal Control Fund:			
Due Current Fund	B-14	\$ 1.48	\$ 0.53
Reserve for Encumbrances	B-10	490.00	
Due State of New Jersey	B-8	25.60	4.60
Reserve for Animal Control Fund Expenditures	B-9	21,980.40	22,489.80
		<u>\$ 22,497.48</u>	<u>\$ 22,494.93</u>
Other Funds:			
Reserve for Encumbrances	B-10	\$ 167,663.85	\$ 187,462.84
Reserve for:			
Unemployment Insurance	B-11	115,503.42	91,138.04
Payroll Deductions	B-12	21,735.49	20,001.43
Miscellaneous Deposits	B-13	7,785,277.86	6,749,777.54
Due Current Fund	B-14	43.32	15.60
		<u>\$ 8,090,223.94</u>	<u>\$ 7,048,395.45</u>
		<u>\$ 8,398,187.15</u>	<u>\$ 7,356,345.74</u>

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

TOWNSHIP OF OCEAN

ASSESSMENT TRUST FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2014	B	\$	178,964.22
Increased by:			
Collections Applied	B-7		<u>8,917.66</u>
Balance, December 31, 2015	B	\$	<u><u>187,881.88</u></u>

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

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GENERAL CAPITAL FUND

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 4,785,962.06	\$ 12,289,351.73
Deferred Charges to Future Taxation:			
Funded	C-5	25,089,000.00	26,767,000.00
Unfunded	C-6	10,646,368.36	8,749,316.36
Due Assessment Trust Fund	C-9	85,500.00	85,500.00
Grant Receivable	C-15	275,750.00	418,750.00
Due Current Fund	C-4		5,748.09
Due Grant Fund	C-12	136,000.00	136,000.00
		<u>\$ 41,018,580.42</u>	<u>\$ 48,451,666.18</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-10	\$ 25,089,000.00	\$ 26,767,000.00
Bond Anticipation Note	C-11	648,000.00	6,222,000.00
Contracts Payable	C-13	4,537,664.31	3,995,573.90
Various Reserves	C-14	2,310,029.16	2,156,189.66
Improvement Authorizations:			
Funded	C-8	1,461,929.61	1,969,691.65
Unfunded	C-8	6,848,494.43	7,217,865.22
Due Current Fund	C-4	237.16	
Capital Improvement Fund	C-7	6.72	26.72
Fund Balance	C-1	123,219.03	123,319.03
		<u>\$ 41,018,580.42</u>	<u>\$ 48,451,666.18</u>

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

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2014	C	\$	123,319.03
Decreased by:			
Improvement Authorization	C-8		<u>100.00</u>
December 31, 2015	C	\$	<u><u>123,219.03</u></u>

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

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PUBLIC ASSISTANCE TRUST FUND

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TOWNSHIP OF OCEAN

PUBLIC ASSISTANCE FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
<u>ASSETS</u>			
Cash	D-1	\$ <u>56,659.07</u>	\$ <u>58,009.07</u>
<u>TOTAL ASSETS</u>		\$ <u><u>56,659.07</u></u>	\$ <u><u>58,009.07</u></u>
<u>LIABILITIES AND RESERVE</u>			
Reserve for Expenditures		\$ <u>56,659.07</u>	\$ <u>58,009.07</u>
<u>TOTAL LIABILITIES AND RESERVES</u>		\$ <u><u>56,659.07</u></u>	\$ <u><u>58,009.07</u></u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"E"

TOWNSHIP OF OCEAN

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
Fixed Assets:		
Land	\$ 16,713,322.00	\$ 16,717,922.00
Buildings	4,027,449.00	4,027,449.00
Machinery and Equipment	<u>14,917,923.17</u>	<u>14,881,490.31</u>
<u>Total Fixed Assets</u>	\$ <u>35,658,694.17</u>	\$ <u>35,626,861.31</u>
Reserve:		
Investments in General Fixed Assets	\$ <u>35,658,694.17</u>	\$ <u>35,626,861.31</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF OCEAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015 AND 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Ocean is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Ocean include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Ocean, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Ocean do not include the operations of the local school district, inasmuch as their activities are administered by a separate board.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Ocean conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Ocean are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created

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

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

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds

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 accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended 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 and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under, GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Interfunds - Interfunds 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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. 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.

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds.

The General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported 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.

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. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November of 2013, GASB approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued) - At transition to Statement 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C.5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements for the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also requires public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Township of Ocean had the following cash and cash equivalents at December 31, 2015:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Deposit in Transit</u>	<u>Outstanding Checks</u>	<u>Change Funds</u>	<u>Total</u>
Checking	\$19,216,911.86	\$80,100.02	\$609,066.53		\$18,687,945.35
Cert. of Deposits	5,180,724.66				5,180,724.66
Money Market	1,482,601.83				1,482,601.83
N.J. Cash Management Fund	485,540.66				485,540.66
NJ Asset Rebate Management Fund	1,131.04				1,131.04
Change Funds				\$2,320.00	2,320.00
	<u>\$26,366,910.05</u>	<u>\$80,100.02</u>	<u>\$609,066.53</u>	<u>\$2,320.00</u>	<u>\$25,840,263.54</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2015, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$26,366,910.05, \$571,075.50 was covered by Federal Depository Insurance, \$25,309,162.84 was covered under the provisions of NJGUDPA, \$485,540.66 was on deposit with the New Jersey Cash Management Fund and \$1,131.04 was on deposit with the New Jersey Asset and Rebate Management Program (NJARM).

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2015, the Township has \$485,540.44 on deposit with the New Jersey Cash Management Fund and \$1,131.04 on deposit with the New Jersey Asset and Rebate Management Program (NJARM). Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund and the Investment Advisor of the NJARM, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

The Township of Ocean's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT
OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>YEAR 2015</u>	<u>YEAR 2014</u>	<u>YEAR 2013</u>
Issued:			
General:			
Bonds and Notes	<u>\$25,737,000.00</u>	<u>\$32,989,000.00</u>	<u>\$33,624,285.00</u>
Net Issued	<u>\$25,737,000.00</u>	<u>\$32,989,000.00</u>	<u>\$33,624,285.00</u>
Less:			
Reserve for Payment of Bonds	<u>\$2,077,440.15</u>	<u>\$1,932,080.65</u>	<u>\$442,251.98</u>
Total Deductions	<u>2,077,440.15</u>	<u>1,932,080.65</u>	<u>442,251.98</u>
Net Debt Issued	<u>\$23,659,559.85</u>	<u>\$31,056,919.35</u>	<u>\$33,182,033.02</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>\$9,998,368.36</u>	<u>\$2,527,316.36</u>	<u>\$1,292,783.52</u>
Total Authorized But Not Issued	<u>\$9,998,368.36</u>	<u>\$2,527,316.36</u>	<u>\$1,292,783.52</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	<u>\$33,657,928.21</u>	<u>\$33,584,235.71</u>	<u>\$34,474,816.54</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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 .738%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
School District Debt	\$38,159,000.00	\$38,159,000.00	-0-
General Debt	<u>35,735,368.36</u>	<u>2,077,440.15</u>	<u>\$33,657,928.21</u>
	<u>\$73,894,368.36</u>	<u>\$40,236,440.15</u>	<u>\$33,657,928.21</u>

NET DEBT \$33,657,928.21 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$4,558,350,937.33 EQUALS .738%.

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

Equalized Valuation Basis* - December 31, 2015	\$4,558,350,937.33
3-1/2 of Equalized Valuation Basis	159,542,282.81
Net Debt	<u>33,657,928.21</u>
Remaining Borrowing Power	<u>\$125,884,354.60</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township for the last three (3) preceding years.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2015

CALENDAR YEAR	GENERAL		TOTAL
	PRINCIPAL	INTEREST	
2016	\$1,743,000.00	\$1,006,105.00	\$2,749,105.00
2017	1,781,000.00	937,955.00	2,718,955.00
2018	1,849,000.00	867,905.00	2,716,905.00
2019	1,918,000.00	792,770.00	2,710,770.00
2020	1,974,000.00	706,050.00	2,680,050.00
2021	2,037,000.00	616,890.00	2,653,890.00
2022	2,117,000.00	512,560.00	2,629,560.00
2023	2,182,000.00	414,562.50	2,596,562.50
2024	2,253,000.00	313,615.00	2,566,615.00
2025	2,330,000.00	231,862.50	2,561,862.50
2026	1,170,000.00	147,150.00	1,317,150.00
2027	1,220,000.00	112,050.00	1,332,050.00
2028	1,245,000.00	75,450.00	1,320,450.00
2029	1,270,000.00	38,100.00	1,308,100.00
	<u>\$25,089,000.00</u>	<u>\$6,773,025.00</u>	<u>\$31,862,025.00</u>

The General Improvement Bonds are comprised of the following issues:

ISSUE	OUTSTANDING BALANCE DECEMBER 31, 2015
\$15,033,000.00 in Loan Revenue Bonds dated December 1, 2008, due in remaining annual installments ranging between \$793,000.00 and \$1,185,000.00 beginning December 1, 2016 and ending December 1, 2025 with interest from 4.00% to 5.25%	<u>\$9,814,000.00</u>
\$16,200,000.00 in General Obligation Bonds dated November 6, 2014, due in remaining annual installments ranging between \$925,000.00 and \$1,270,000.00 beginning November 1, 2016 and ending November 1, 2029 with interest from 3.00% to 5.00%	<u>15,275,000.00</u>
Total	<u>\$25,089,000.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2015, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund \$9,998,368.36

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

General Capital Fund:

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
2212	12/10/14	03/10/15	3/9/2016	1.10%	<u>\$648,000.00</u>
					<u>\$648,000.00</u>

On March 9, 2016, the Township reissued the note for \$324,000.00 bearing interest rate of 1.35% per annum due on March 8, 2017. The reduction in the amount of the note was the result of a 2016 Budget Appropriation.

NOTE 4: FUND BALANCES APPROPRIATED

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

Current Fund \$6,475,000.00

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	Balance December <u>31, 2014</u>	Balance December <u>31, 2015</u>
Prepaid Taxes	<u>\$933,063.07</u>	<u>\$1,035,564.25</u>

NOTE 6: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 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 of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

NOTE 6: PENSION PLANS

Plan Descriptions (Continued)

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, In which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest alter four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP. employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

NOTE 6: PENSION PLANS

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. As of July 1, 2015 PERS provides for employee contributions of 7.06% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2015, members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$2,152,953.38 for 2015, \$2,181,579.40 for 2014 and \$2,086,426.21 for 2013.

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Township employees are also covered by Federal Insurance Contribution Act.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions” and is effective for fiscal years beginning after June 15, 2014. This statement requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS) of the participating municipality as of December 31, 2015. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year’s budget and no liability is accrued at December 31, 2015.

Public Employees Retirement System (PERS)

At June 30, 2015, the State reported a net pension liability of \$19,275,789.00 for the Township of Ocean’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The Township’s proportion of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Township’s proportion was 0.0858686391 percent, which was an increase of 0.0000470260 percent from its proportion measured as of June 30, 2014.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$1,293,978.00 for the Township of Ocean's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statement based on the April 1, 2015 billing was \$707,501.00.

At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$459,853.00
Changes of assumptions		2,070,066.00
Net difference between projected and actual earnings on pension plan investments	\$309,918.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions		82,407.00
	<u>\$309,918.00</u>	<u>\$2,612,326.00</u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended	
<u>June 30</u>	<u>Amount</u>
2016	\$422,594.00
2017	\$422,594.00
2018	\$422,594.00
2019	\$661,987.00
2020	\$372,639.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$5,086,138,484	\$1,032,618,058
Collective deferred inflows of resources	478,031,236	1,726,631,532
Collective net pension liability - local	22,447,996,119	18,722,735,003
Township's Proportion	0.0858686391%	0.0858216131%

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. These actuarial valuations used the following assumptions:

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Inflation	3.01 Percent	3.04 Percent
Salary Increases (based on age)		
2012-2021	2.15-4.40 Percent	2.15-4.40 Percent
Thereafter	3.15-5.40 Percent	3.15-5.40 Percent
Investment Rate of Return	7.90 Percent	7.90 percent

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. 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 the experience deviates, the larger the impact on future financial statements.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 and June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bond			1.00%	2.49%
Intermediate Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad U.S. Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Markets	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Returns	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Global Debt ex US	3.50%	(0.40%)		
REIT	4.25%	5.12%		
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.30% and 4.29% as of June 30, 2015 and 2014, respectively, 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 average of the last five years of contributions made in relation to the last five years of recommended 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, 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- percentagepoint higher than the current rate:

	Decrease <u>3.90%</u>	Discount Rate <u>4.90%</u>	Increase <u>5.90%</u>
Township's proportionate share of the pension liability	\$23,957,447.00	\$19,275,789.00	\$15,350,720.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2015, the State reported a net pension liability of \$31,867,996.00 for the Township of Ocean's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Township's proportion was 0.1913245230 percent, which was a decrease of 0.0042988945 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$3,057,264.00. The pension expense recognized in the Township's financial statement based on the April 1, 2015 billing was \$1,436,486.00.

At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$274,872.00	
Changes of assumptions		\$5,883,624.00
Net difference between projected and actual earnings on pension plan investments	554,634.00	
Changes in proportion and differences between the Township's contributions and proportionate share of contributions		<u>560,344.00</u>
	<u>\$829,506.00</u>	<u>\$6,443,968.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2016	\$1,084,779.00
2017	\$1,084,779.00
2018	\$1,084,779.00
2019	\$1,684,969.00
2020	\$675,156.00

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$3,527,123,787	\$456,706,121
Collective deferred inflows of resources	466,113,435	1,283,652,103
Collective net pension liability - local	16,656,514,197	12,579,072,492
Township's proportion	0.1913245230%	0.1870256285%

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions:

Inflation	3.04 Percent	3.01 Percent
Salary Increases (based on age)		
2012-2021	2.60-9.48 Percent	3.95-8.62 Percent
Thereafter	3.60-10.48 Percent	4.95-9.62 Percent
Investment Rate of Return	7.90 Percent	7.90 Percent

Mortality rates used for the July 1, 2014 valuation were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

Mortality rates used for the July 1, 2013 valuation were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30,2015</u>		<u>June 30,2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bonds			1.00%	2.49%
Intermediate-Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	(0.40%)		
REIT	4.25%	5.12%		
US Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, 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 average of the last five years of contributions made in relation to the last five years of recommended 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 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, 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:

	June 30, 2015		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.79%</u>	<u>5.79%</u>	<u>6.79%</u>
Township's proportionate share of the PFRS pension liability	\$55,735,225.00	\$42,277,544.00	\$31,304,007.00

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS).

NOTE 7: LITIGATION

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

NOTE 8: LOCAL DISTRICT SCHOOL TAXES

Local District School Taxes have been raised on a calendar year basis thus there is no deferral of Local School District Taxes.

NOTE 9: COMPENSATED ABSENCES

Under the existing policy of the Township, employees are allowed to accumulate sick vacation and other compensated time, which may be taken as time off, or paid at a later date, at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$2,278,998.90. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The Township has accumulated \$667,905.00 for this purpose in the Trust Other Fund and continues to budget funds to provide for these liabilities as they arise.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2015 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.40A:2-51. At December 31, 2015 the Township has made provision, from tax revenues, in the amount of \$450,000.00 for these appeals in the event that the tax reductions are granted.

NOTE 11: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2015, the Township does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township participates in the Mid-Jersey Municipal Joint Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Fund is also a member of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance coverage for each of the various risks noted above. The Township's contributions to the Fund for claim payments are based on actuarial assumption determined by the Fund's actuary.

The Township also maintains coverage for all other risks of loss, including employee health insurance through the New Jersey State Health Benefits program. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$30,000.00	\$18,042.68	\$23,677.30	\$115,503.42
2014	30,000.00	17,884.64	25,226.31	91,138.04
2013	30,000.00	16,915.16	35,602.40	68,479.71

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 293.44	\$ 687,488.52
Grant Fund	687,488.52	136,000.00
Assessment Trust Fund		85,511.48
Animal Control Fund		1.48
Trust Other Fund		43.32
General Capital Fund	<u>221,500.00</u>	<u>237.16</u>
	<u>\$ 909,281.96</u>	<u>\$ 909,281.96</u>

All balances resulted from the time lag between the dates that payments between funds are made.

NOTE 14: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the plan are held by an independent administrator, the I.C.M.A. Retirement Corporation.

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities.

NOTE 15: GASB 45: OTHER POST-RETIREMENT BENEFITS

The Township provides a contribution for Post Retirement Benefits equal to 80% of the lowest cost State Health Benefits plan to certain employees, per the terms of their various labor agreements, which have retired from the Township. This benefit runs from the date of the employee's retirement until the age of sixty-five (65) at which point the Township provides reimbursement for 100% of the cost of Medicare Part B. The Township's contributions under these agreements for the years ended December 31, 2015, 2014 and 2013 were \$164,258.37, \$145,381.76 and \$113,920.61 respectively, which equaled the required contributions for each year.

NOTE 16: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through March 24, 2016 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that the following subsequent events needed to be disclosed:

Refunding of Debt

On March 3, 2016, the Monmouth County Improvement Authority refunded their 2007 Governmental Loan Revenue Bonds of which the Township of Ocean was a participant. The Township portion of Bonds Refunded totaled \$8,190,000.00 while the Refunded Bonds issued totaled \$7,470,000.00. The Net Present Value of the savings resulting from the refunding totaled \$727,258.15.

TOWNSHIP OF OCEAN
SUPPLEMENTARY SCHEDULES - ALL FUNDS
YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF CASH-TREASURER

	REF.	GRANT FUND		CURRENT FUND	
Balance, December 31, 2014	A	\$	9,246.69	\$	12,902,754.06
Increased by Receipts:					
Collector	A-5	\$		\$	98,441,017.14
Petty Cash	A-7				1,300.00
State of New Jersey-Senior Citizens and Veterans Deductions (Chapter 20, P.L.1971)	A-8				215,250.00
Miscellaneous Revenue Not Anticipated	A-2				1,113,194.45
Appropriations Refunds	A-3				603,611.27
Revenue Accounts Receivable	A-12				6,459,089.27
Appropriation Reserve Refunds	A-14				807.56
Prepaid Fees and Licenses	A-17				40,185.00
New Jersey Sales and Use Tax Payable Reserve for:					
Library Expenditures	A-21				8,024.44
Deposit on Sale of Land	A-23				800.01
Sale of Municipal Assets	A-25				66,265.03
Due State of New Jersey	A-26				38,691.00
Interfunds Receivable	A-31		223,688.00		7,237,854.71
Grants Receivable	A-32		350,836.95		
Grants - Unappropriated	A-34		5,467.46		
			<u>579,992.41</u>		<u>114,226,089.88</u>
		\$	<u>589,239.10</u>	\$	<u>127,128,843.94</u>
Decreased by Disbursements:					
2015 Appropriations	A-3	\$		\$	28,236,115.32
Appropriation Reserves	A-14				495,556.20
Accounts Payable	A-16				2,748.00
Refund of Tax Overpayments	A-20				43,563.38
Prepaid Expense					16,093.36
Reserve for:					
Revaluation	A-18				81,000.00
Library Expenditures	A-21				5,891.99
Tax Appeals	A-24				450,000.00
Due State of New Jersey	A-26				40,638.00
Local District School Tax	A-27				60,801,248.98
County Taxes	A-28				13,679,632.45
County Share for Added Taxes	A-29				22,007.61
Fire District Tax	A-30				3,042,926.00
Interfunds	A-31		77,588.68		7,389,978.32
Grants Appropriated	A-33		497,590.73		
Petty Cash	A-7				1,300.00
Budget Operations	A-1				198,655.76
			<u>575,179.41</u>		<u>114,507,355.37</u>
Balance, December 31, 2015	A	\$	<u>14,059.69</u>	\$	<u>12,621,488.57</u>

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR

	<u>REF.</u>			
Received:				
Taxes Receivable	A-9	\$	96,809,654.99	
Revenue Accounts Receivable	A-12		394,420.89	
2016 Taxes Prepaid	A-19		1,035,564.25	
Tax Overpayments	A-20		<u>201,377.01</u>	
				\$ <u>98,441,017.14</u>
Decreased by Disbursements:				
Payments to Treasurer	A-4			\$ <u><u>98,441,017.14</u></u>

"A-6"

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF CHANGE FUND

REF.

Balance December 31, 2014 and
December 31, 2015

A

\$ 2,320.00

ANALYSIS OF BALANCE

Tax Collector	\$	750.00
Police Department		20.00
Construction Code		250.00
Municipal Court		500.00
Pool/Tennis Club		200.00
Colonial Terrace Golf Course		<u>600.00</u>
	\$	<u>2,320.00</u>

"A-7"

SCHEDULE OF PETTY CASH

Increased by:
Disbursements

A-4

\$ 1,300.00
1,300.00

Decreased by:
Receipts

A-4

\$ 1,300.00

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2014 (Due to)	A	\$	(12,750.00)
Increased by:			
Senior Citizens and Veterans Deductions Per Duplicate		\$	218,500.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector:			
Current Year			4,500.00
Prior Year	A-1		<u> </u>
			<u>223,000.00</u>
			210,250.00
Decreased by:			
Received from State of New Jersey	A-4	\$	215,250.00
Senior Citizens and Veterans Deductions Disallowed by Tax Collector:			
Current Year			6,000.00
Prior Year	A-1		<u>4,500.00</u>
			<u>225,750.00</u>
Balance, December 31, 2015 (Due to)	A	\$	<u><u>(15,500.00)</u></u>

CALCULATION OF STATE SHARE OF
2015 SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens and Veterans Deductions:			
Per Tax Duplicate		\$	218,500.00
Allowed by Collector			<u>4,500.00</u>
			223,000.00
Less:			
Senior Citizens Deductions Disallowed by Collector			<u>6,000.00</u>
	A-9	\$	<u><u>217,000.00</u></u>

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	ADDED	CASH COLLECTIONS		TRANSFERRED TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2015
				2014	2015			
Prior	\$ 20,021.71	\$	\$	\$	\$ 6,759.25	\$	\$	\$ 13,262.46
2010	9,204.48				4,183.97			5,020.51
2011	4,266.63				4,266.63			
2012	4,329.60				4,329.60			
2013	6,203.51				6,203.51			
2014	1,343,707.98		85,664.52		1,385,810.12	1,708.65		41,853.73
	\$ 1,387,733.91	\$	\$ 85,664.52	\$	\$ 1,411,553.08	\$ 1,708.65	\$	\$ 60,136.70
2015		97,944,118.59		933,063.07	95,694,129.86	42,356.68	13,884.17	1,260,684.81
	\$ 1,387,733.91	\$ 97,944,118.59	\$ 85,664.52	\$ 933,063.07	\$ 97,105,682.94	\$ 44,065.33	\$ 13,884.17	\$ 1,320,821.51

REF. A A-2:A-19 A-2 A-10 A

	REF.	
Collector	A-5	\$ 96,809,654.99
Overpayments Applied	A-20	79,027.95
Senior Citizens Deductions	A-8	217,000.00
		\$ 97,105,682.94

ANALYSIS OF 2014 PROPERTY TAX LEVY

	REF.	
<u>TAX YIELD</u>		
General Purpose Tax		\$ 97,477,697.19
Added Taxes (54:4-63.1, et seq.)		466,421.40
		\$ 97,944,118.59
<u>TAX LEVY</u>		
Local District School Tax (Abstract)	A-27	\$ 60,040,620.00
County Taxes:		
County Tax (Abstract)	A-28	\$ 13,679,632.45
Due County for Added Taxes (54:4-63.1, et seq.)	A-29	65,470.23
		13,745,102.68
Fire District Taxes:		
Fire District Tax (Abstract)	A-30	3,042,926.00
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 20,668,097.94
Add: Additional Tax Levied		447,371.97
Local Tax for Municipal Purposes Levied		21,115,469.91
		\$ 97,944,118.59

"A-10"

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>			
Balance, December 31, 2014	A		\$	549,201.21
Increased by:				
Transfers from Taxes Receivable	A-9	\$	44,065.33	
Added Liens			14,296.14	
Interest and Costs Accrued by Sale			<u>415.89</u>	
				<u>58,777.36</u>
				607,978.57
Decreased by:				
Cancelled				<u>871.07</u>
Balance, December 31, 2015	A		\$	<u><u>607,107.50</u></u>

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2014 and December 31, 2015	A		\$	<u><u>848,681.00</u></u>
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TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2014	ACCRUED IN 2015	COLLECTED BY		BALANCE DECEMBER 31, 2015
			COLLECTOR	TREASURER	
Clerk:					
Licenses:					
Alcoholic Beverage		\$ 43,564.00		\$ 43,564.00	
Other		72,299.00		72,299.00	
Fees and Permits		179,800.00		179,800.00	
Tax Collector:					
Fees and Permits		30.00		30.00	
Board of Adjustment					
Fees and Permits		37,630.00		37,630.00	
Planning Board					
Fees and Permits		49,113.62		49,113.62	
Community Development:					
Fees and Permits		36,025.00		36,025.00	
Recreation:					
Fees and Permits		167,870.90		167,870.90	
Police:					
Fees and Permits		101,702.62		101,702.62	
Public Works					
Fees and Permits		17,170.00		17,170.00	
Human Services:					
Fees and Permits		72,476.50		72,476.50	
Municipal Court	40,588.43	488,749.08		496,482.43	32,855.08
Interest and Costs on Taxes		394,420.89	394,420.89		
Interest on Investments and Deposits		86,686.83		86,686.83	
Payment in Lieu of Taxes-Senior Citizens		63,929.07		63,929.07	
Pool Tennis Club Membership Fees		112,314.50		112,314.50	
Pool Tennis Club Guest Fees		89,029.00		89,029.00	
Colonial Terrace Golf Course		327,171.00		327,171.00	
Energy Receipts Tax		2,528,544.00		2,528,544.00	
Uniform Construction Code Fees		608,126.00		608,126.00	
Sewerage Authority Interlocal Agreement		81,065.00		81,065.00	
Reserve for Payment of Bonds		249,778.00		249,778.00	
Swim Pool and Tennis Club Snack Bar		70,776.08		70,776.08	
Project Extend		553,718.72		553,718.72	
West Long Branch Court Shared Service		135,150.00		135,150.00	
Municipal Utility Authority Surplus Transfer		278,637.00		278,637.00	
	\$ 40,588.43	\$ 6,845,776.81	\$ 394,420.89	\$ 6,459,089.27	\$ 32,855.08
REF.	A		A-5	A-4	A

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES
N.J.S. 40A:4-55 SPECIAL EMERGENCY

<u>DATE</u> <u>AUTHORIZED</u>	<u>PURPOSE</u>	<u>AMOUNT</u> <u>AUTHORIZED</u>	<u>1/5 OF</u> <u>NET AMOUNT</u> <u>AUTHORIZED</u>	<u>ADDED IN</u> <u>2015</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
2/19/2015	Revaluation \$	560,000.00 \$	112,000.00 \$	<u>560,000.00 \$</u>	<u>560,000.00</u>
				\$ <u>560,000.00 \$</u>	<u>560,000.00</u>
			<u>REF.</u>	A-3	A

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF 2014 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Office of the Township Manager	\$ 3,038.71	\$ 3,038.71	\$	3,038.71
Office of the Township Clerk	1,746.13	1,746.13		1,746.13
Financial Administration	5,135.77	5,135.77		5,135.77
Data Processing	2,112.02	2,112.02		2,112.02
Collection of Taxes	17,866.28	17,866.28		17,866.28
Assessment of Taxes	4,307.07	4,307.07		4,307.07
Office of Planning Administration	1,825.06	1,825.06	338.00	1,487.06
Police	79,628.35	79,628.35	31,564.29	48,064.06
Police Dispatch/911	5,931.23	5,931.23	4,538.61	1,392.62
Office of the Director of Public Works	13,328.46	13,328.46		13,328.46
Streets and Roads Maintenance	28,788.35	28,788.35		28,788.35
Maintenance of Equipment	5,326.24	5,326.24		5,326.24
Garbage and Trash Removal	6,058.02	6,058.02	3,009.28	3,048.74
Public Building and Grounds	15,158.84	15,158.84		15,158.84
Board of Health	1,403.64	1,403.64	276.00	1,127.64
Project Extend	20,285.91	20,285.91	2,342.34	17,943.57
Community Services Department	46,430.32	46,430.32	3,480.64	42,949.68
Recreation	39,141.77	39,141.77	2,030.20	37,111.57
Pool and Tennis Club	4,639.07	4,639.07		4,639.07
Pool and Tennis Club Snack Bar	1,251.66	1,251.66		1,251.66
Colonial Terrace Golf Course	8,872.03	6,222.03		6,222.03
Construction Code Department	16,348.74	16,348.74	448.00	15,900.74
Municipal Court	5,854.77	5,854.77	2,297.14	3,557.63
Public Defender	17,044.00	17,044.00		17,044.00
<u>TOTAL SALARIES AND WAGES</u>	<u>\$ 351,522.44</u>	<u>\$ 348,872.44</u>	<u>\$ 50,324.50</u>	<u>\$ 298,547.94</u>
<u>OTHER EXPENSES</u>				
Office of the Governing Body	\$ 1,627.57	\$ 1,627.57	\$	1,627.57
Office of the Township Manager	16,199.30	18,781.46	2,656.44	16,125.02
Office of the Township Clerk	2,748.25	2,968.69	268.44	2,700.25
Financial Administration	465.22	8,125.74	7,772.39	353.35
Annual Audit		31,885.80	31,885.80	
Data Processing	4,923.11	13,641.37	11,554.56	2,086.81
Collection of Taxes	776.85	1,644.53	867.68	776.85
Assessment of Taxes	4,911.43	66,256.43	44,520.00	21,736.43
Legal Services and Costs	4,469.84	115,533.10	45,730.47	69,802.63
Engineering Services and Costs	28,950.00	28,950.00	9,185.00	19,765.00
Planning Board	4,590.25	5,819.00	1,728.75	4,090.25
Board of Adjustment	7,177.34	10,107.26	3,129.92	6,977.34
Office of Planning Administration	8,392.67	8,581.78	414.53	8,167.25
Police	16,940.15	35,685.99	18,683.61	17,002.38
Police Dispatch/911	1,750.00	1,750.00		1,750.00
Office of Emergency Management	382.73	2,334.30	1,830.04	504.26
Municipal Prosecutor	450.00	450.00	350.00	100.00
Office of the Director of Public Works	61.77	961.37	924.36	37.01
Streets and Roads Maintenance	25,512.05	96,641.00	64,691.91	31,949.09
Maintenance of Equipment	25,865.12	75,521.47	44,419.53	31,101.94
Garbage and Trash Removal	2,743.49	3,391.24	672.03	2,719.21
Recycling	1,805.50	1,805.50		1,805.50
Public Building and Grounds	76,399.09	95,713.05	20,209.11	75,503.94
Community Services Act	6,326.01	6,326.01	3,298.55	3,027.46
Board of Health	17,151.55	17,301.55	385.00	16,916.55

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF 2014 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>				
Animal Control	\$ 10,350.00	\$ 13,000.00	\$ 13,000.00	
Project Extend	7,025.75	11,548.53	4,949.94	6,598.59
Community Services Department	47,344.00	59,061.24	15,399.86	43,661.38
Cops Universal Hiring Program	53,663.00	53,663.00		53,663.00
Recreation	10,159.03	10,635.23	372.35	10,262.88
Senior Citizen Transportation	5,430.00	7,980.00	2,550.00	5,430.00
Pool and Tennis Club	4,848.22	8,008.92	3,160.70	4,848.22
Pool and Tennis Club Snack Bar	1,254.77	2,483.76	1,228.99	1,254.77
Colonial Terrace Golf Course	3,577.94	8,990.78	1,462.21	7,528.57
Celebration of Public Events	1,088.16	1,088.16		1,088.16
Purchase of Township Vehicles	24,575.85	24,575.85		24,575.85
Postage	3,214.15	3,214.15		3,214.15
Shade Tree Commission	2,185.00	2,185.00		2,185.00
Environmental Commission	2,349.62	2,349.62		2,349.62
Utilities:				
Electric	38,863.33	60,163.33	24,195.55	35,967.78
Street Lighting	32,331.01	50,331.01	17,251.52	33,079.49
Telephone	16,824.13	16,824.13	312.39	16,511.74
Water	5,019.89	8,344.89	4,198.75	4,146.14
Natural Gas	8,460.53	17,705.53	13,626.40	4,079.13
Heating Oil	1,860.16	1,860.16		1,860.16
Sewerage Processing Disposal	174.10	174.10		174.10
Fuel	56,971.16	98,971.16	34,298.40	64,672.76
Landfill/Solid Waste Costs	89,334.05	154,364.05	54,505.00	99,859.05
Construction Code Department	871.74	1,020.80	167.06	853.74
Municipal Court	5,669.79	6,916.41	1,323.78	5,592.63
Public Defender	3,000.00	3,000.00		3,000.00
Contingent	5,000.00	5,000.00		5,000.00
Contribution to: Social Security System (O.A.S.I.)	11,381.37	11,381.37		11,381.37
Contribution to: Public Employees Retirement	0.60	0.60		0.60
Contribution to: Defined Benefit Contribution Plan	834.37	834.37		834.37
Reimbursement to Multi-Dwellings	171.20	171.20		171.20
Insurance:				
General Liability	36,963.56	37,472.56	809.00	36,663.56
Employee Group Insurance	540,023.25	540,073.25	50.00	540,023.25
Worker's Compensation Insurance	0.56	0.56		0.56
Health Benefits Waiver	979.25	979.25		979.25
Matching Funds for Grants	25,000.00	25,000.00		25,000.00
Sewage Authority Interlocal Agreement	7,502.24	7,502.24		7,502.24
<u>TOTAL OTHER EXPENSES</u>	\$ <u>1,324,921.07</u>	\$ <u>1,908,679.42</u>	\$ <u>508,040.02</u>	<u>1,400,639.40</u>
 <u>GRAND TOTAL</u>	 \$ <u>1,676,443.51</u>	 \$ <u>2,257,551.86</u>	 \$ <u>558,364.52</u>	 <u>1,699,187.34</u>
 REF.	 A			 A-1
Appropriation Reserves	A-14	\$ 1,676,443.51		
Reserve for Encumbrances	A-15	<u>581,108.35</u>		
		<u>\$ 2,257,551.86</u>		
Disbursed	A-4		\$ 495,556.20	
Accounts Payable	A-16		<u>63,615.88</u>	
			559,172.08	
Less Refunds	A-4		<u>807.56</u>	
			<u>\$ 558,364.52</u>	

"A-15"

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>			
Balance, December 31, 2014:				
Current Fund	A	\$	581,108.35	
Grant Fund	A		<u>29,679.93</u>	
				\$ 610,788.28
Increased by:				
Charged to 2015 Budget Appropriations	A-3	\$	578,569.05	
Charged to Reserve for Grants Appropriated	A-33		<u>21,749.50</u>	
				\$ <u>600,318.55</u>
				\$ 1,211,106.83
Decreased by:				
Transferred to Appropriation Reserves	A-14	\$	581,108.35	
Transferred to Reserve for Grants Appropriated	A-33		<u>29,679.93</u>	
				<u>610,788.28</u>
Balance, December 31, 2015:				
Current Fund	A	\$	578,569.05	
Grant Fund	A		<u>21,749.50</u>	
				\$ <u>600,318.55</u>

"A-16"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2014	A	\$		32,039.56
Increased by:				
Charged to:				
2014 Appropriation Reserves	A-14	\$	63,615.88	
Refund of Other Fees and Permits	A-2		531.50	
Refund of Miscellaneous Revenue Not Anticipated	A-2		<u>115.00</u>	
				\$ <u>64,262.38</u>
				\$ 96,301.94
Decreased by:				
Cash Disbursements	A-4	\$	2,748.00	
Canceled	A-1		<u>27,283.00</u>	
				<u>30,031.00</u>
Balance, December 31, 2015	A	\$		<u>66,270.94</u>

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF PREPAID FEES AND LICENSES

	<u>REF.</u>		
Balance, December 31, 2014	A	\$	25,635.00
Increased by:			
Cash Receipts	A-4	\$	<u>40,185.00</u>
			65,820.00
Decreased by:			
Applied to:			
Other Licenses	A-2	\$	20,145.00
Other Fees and Permits	A-2		2,640.00
Swim Pool Membership Fees	A-2		<u>36,790.00</u>
			<u>59,575.00</u>
Balance, December 31, 2015	A	\$	<u><u>6,245.00</u></u>
Analysis of Balance:			
Other Licenses		\$	1,795.00
Other Fees and Permits			805.00
Swim Pool Membership Fees			<u>3,645.00</u>
		\$	<u><u>6,245.00</u></u>

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF RESERVE FOR REVALUATION

	<u>REF.</u>		
Increased by:			
Transferred from 2015 Appropriations	A-3	\$	560,000.00
Decreased by:			
Cash Disbursements	A-4		<u>81,000.00</u>
Balance, December 31, 2015	A	\$	<u><u>479,000.00</u></u>

"A-19"

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2014	A	\$	933,063.07
Increased by:			
Collection - 2016 Taxes	A-5		1,035,564.25
		\$	<u>1,968,627.32</u>
Decreased by:			
Applied to 2015 Taxes Receivable	A-9		933,063.07
Balance, December 31, 2015	A	\$	<u><u>1,035,564.25</u></u>

"A-20"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2014	A	\$	78,777.95
Increased by:			
Overpayments in 2015	A-5		201,377.01
		\$	<u>280,154.96</u>
Decreased by:			
Refunds	A-4	\$	43,563.38
Applied	A-9		<u>79,027.95</u>
			<u>122,591.33</u>
Balance, December 31, 2015	A	\$	<u><u>157,563.63</u></u>

"A-21"

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2014	A	\$	44,641.07
Increased by:			
Cash Receipts	A-4		<u>8,024.44</u>
		\$	52,665.51
Decreased by:			
Cash Disbursements	A-4		<u>5,891.99</u>
Balance, December 31, 2015	A	\$	<u><u>46,773.52</u></u>

"A-22"

SCHEDULE OF RESERVE FOR DUE TOWNSHIP OF OCEAN SEWERAGE AUTHORITY

Balance, December 31, 2014 and December 31, 2015 (due to)	A	\$	<u><u>285.04</u></u>
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TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF RESERVE FOR DEPOSIT ON SALE OF LAND

	<u>REF.</u>		
Balance, December 31, 2014	A	\$	10,109.00
Increased by:			
Cash Receipts	A-4		<u>800.01</u>
Balance, December 31, 2015	A	\$	<u><u>10,909.01</u></u>

"A-24"

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF TAX APPEALS

REF.

Balance, December 31, 2014	A	\$	450,000.00
Increased by:			
Allocated from Current Tax Collections	A-2		450,000.00
		\$	<u>900,000.00</u>
Decreased by:			
Cash Disbursements	A-4		<u>450,000.00</u>
Balance, December 31, 2015	A	\$	<u><u>450,000.00</u></u>

"A-25"

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Balance, December 31, 2014	A	\$	977.85
Increased by:			
Cash Receipts	A-4		<u>66,265.03</u>
Balance, December 31, 2015	A	\$	<u><u>67,242.88</u></u>

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF RESERVE DUE STATE OF NEW JERSEY

	BALANCE DECEMBER 31, <u>2014</u>	CASH <u>RECEIPTS</u>	<u>EXPENDED</u>	BALANCE DECEMBER 31, <u>2015</u>
DCA Training Fees	\$ 8,319.00	\$ 33,866.00	\$ 35,863.00	\$ 6,322.00
DYFS - Marriage License Fees	825.00	4,750.00	4,725.00	850.00
DYFS - Domestic Partner License Fees		75.00	50.00	25.00
	<u>9,144.00</u>	<u>38,691.00</u>	<u>40,638.00</u>	<u>7,197.00</u>
	\$	\$	\$	\$
<u>REF.</u>	A	A-4	A-4	A

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>REF.</u>	
Balance, December 31, 2014	A	\$ 905,447.12
Increased by:		
Levy School Year	A-1:A-9	60,040,620.00
		\$ <u>60,946,067.12</u>
Decreased by:		
Payments	A-4	<u>60,801,248.98</u>
Balance, December 31, 2015	A	\$ <u><u>144,818.14</u></u>

"A-28"

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Increased by:			
2015 Tax Levy	A-1:A-9	\$	<u>13,679,632.45</u>
Decreased by:			
Payments	A-4	\$	<u><u>13,679,632.45</u></u>

"A-29"

SCHEDULE OF DUE COUNTY FOR ADDED TAXES

Balance, December 31, 2014	A	\$	22,007.61
Increased by:			
County Share of 2015 Levy:			
Added Taxes (R.S.54:4-63.1, <i>et seq.</i>)	A-9	\$	65,470.23
Prior Year			<u>11,235.51</u>
	A-1		<u>76,705.74</u>
		\$	<u>98,713.35</u>
Decreased by:			
Payments	A-4		<u>22,007.61</u>
Balance, December 31, 2015	A	\$	<u><u>76,705.74</u></u>

TOWNSHIP OF OCEAN

CURRENT FUND

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

REF.

Increased by:
2015 Tax Levy

A-1:A-9

\$ 3,042,926.00

Decreased by:
Payments

A-4

\$ 3,042,926.00

TOWNSHIP OF OCEAN

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2014	ANTICIPATED IN 2015 BUDGET	RECEIVED	UNAPPROPRIATED RESERVE APPLIED	BALANCE DECEMBER 31, 2015
Safe and Secure Communities Grant - 2013	\$ 60,000.00	\$	\$ 60,000.00	\$	
Safe and Secure Communities Grant - 2014	60,000.00		60,000.00		
Safe and Secure Communities Grant - 2015		60,000.00			60,000.00
Body Armor Replacement Fund - 2015		5,476.73		5,476.73	
Drunk Driving Enforcement Fund	0.37				0.37
Drunk Driving Enforcement Fund - 2014		8,021.30		8,021.30	
Clean Communities Program - 2012	1,009.57				1,009.57
Clean Communities Program - 2014		66,285.03	66,285.03		
Bulletproof Vest Grant - 2013	2,923.18		2,670.80		252.38
Bulletproof Vest Grant - 2014	4,900.00		2,142.20		2,757.80
Mid Jersey Municipal Joint Insurance Fund - 2013	4,129.00				4,129.00
M.C. Drug Abuse Council - 2012	3,138.00				3,138.00
M.C. Drug Abuse Council - 2014	9,241.00		9,241.00		
CDBG	12,783.00				12,783.00
Hazardous Mitigation Grant Program -Energy Allocation	121,397.00				121,397.00
Recycling Tonnage Grant		55,092.35		55,092.35	
Outpatient Services 2014 Grant (ASAM Level I)	12,315.00		12,315.00		
DYFS Parent/Child Visitation Grant (ASAM Level II) 2014	18,750.00		18,750.00		
DYFS Parent/Child Visitation Grant (ASAM Level II) 2015		75,000.00	56,250.00		18,750.00
JIF Safety Awareness Program - 2014	3,897.00		3,832.92		64.08
JIF Safety Awareness Program - 2015		3,849.00			3,849.00
Community Hope Fund DARE Grant		9,600.00	9,600.00		
Emergency Watershed Protection Grant	41,047.50				41,047.50
Green Communities Grant	2,000.00				2,000.00
Humans Services I.O.P. Adults Grant		65,000.00	39,750.00		25,250.00
MC Recycling Stimulus Initiative		10,000.00	10,000.00		
	\$ <u>357,530.62</u>	\$ <u>358,324.41</u>	\$ <u>350,836.95</u>	\$ <u>68,590.38</u>	\$ <u>296,427.70</u>

REF.

A

A-2

A-4

A-34

A

TOWNSHIP OF OCEAN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER <u>31, 2014</u>	<u>MODIFIED</u>	TRANSFERRED FROM <u>2015 BUDGET</u>	PAID OR <u>CHARGED</u>	BALANCE DECEMBER <u>31, 2015</u>
Bulletproof Vest Program - 2004 Grant	\$ 50.48	\$ 50.48	\$	\$	50.48
Bulletproof Vest Program - 2009	1.60	1.60			1.60
Bulletproof Vest Program - 2013	403.66	1,157.66		1,157.66	
Bulletproof Vest Program - 2014	4,900.00	4,900.00		4,895.04	4.96
M.C. Drug Abuse Council - 2012	4,687.00	4,687.00			4,687.00
Clean Communities Grant - 2013	8,253.74	8,773.74		8,773.74	
Clean Communities Grant - 2014	49,227.46	54,537.16		38,921.58	15,615.58
Clean Communities Grant - 2015			66,285.03	3,913.85	62,371.18
Drunk Driving Enforcement Fund - 2010	109.14	109.14		109.14	
Drunk Driving Enforcement Fund - 2012	10,026.23	10,026.23		6,119.50	3,906.73
Drunk Driving Enforcement Fund - 2013	9,051.36	9,051.36		951.86	8,099.50
Drunk Driving Enforcement Fund - 2014	8,720.88	8,720.88			8,720.88
Drunk Driving Enforcement Fund - 2015			8,021.30		8,021.30
Body Armor Replacement Fund - 2004	3.41	3.41			3.41
Body Armor Replacement Fund - 2005	37.80	37.80			37.80
Body Armor Replacement Fund - 2009		302.18		302.18	
Body Armor Replacement Fund- 2010	4,857.85	5,309.67		5,309.67	
Body Armor Replacement Fund- 2011	2,038.00	2,038.00		1,149.25	888.75
Body Armor Replacement Fund- 2012	5,783.00	5,783.00		1,462.40	4,320.60
Body Armor Replacement Fund- 2013	5,754.53	5,754.53			5,754.53
Body Armor Replacement Fund- 2014	7,235.74	7,235.74			7,235.74
Body Armor Replacement Fund- 2015			5,476.73		5,476.73
Safe And Secure Communities - 2014 Grant	23,076.96	23,076.96		23,076.96	
Safe And Secure Communities - 2014 Match	163,435.00	163,435.00		163,435.00	
Safe And Secure Communities - 2015 Grant			60,000.00	36,923.04	23,076.96
Safe And Secure Communities - 2015 Match			213,847.00	50,412.00	163,435.00

TOWNSHIP OF OCEAN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2014	MODIFIED	TRANSFERRED FROM 2015 BUDGET	PAID OR CHARGED	BALANCE DECEMBER 31, 2015
Recycling Tonnage Grant	\$ 58,317.76	\$ 64,528.46		\$ 10,006.34	\$ 54,522.12
Recycling Tonnage Grant	52,759.31	52,759.31			52,759.31
Recycling Tonnage Grant	52,265.08	52,265.08			52,265.08
Recycling Tonnage Grant - 2015			55,092.35		55,092.35
Mon Cty Recycling Initiative Award			10,000.00		10,000.00
Humans Services I.O.P. Adults Grant			65,000.00	53,000.00	12,000.00
Mid Jersey Municipal Joint Insurance Fund:					
Municipal Safety Incentive Grant - 2014	832.27	832.27		727.31	104.96
Municipal Safety Incentive Grant - 2015			3,849.00	1,869.47	1,979.53
Reserve for Hepatitis Shots	5,000.00	5,000.00			5,000.00
Community Development Block Grant	12,783.00	12,783.00			12,783.00
School NJEDA	264.13	11,006.63		10,742.50	264.13
2011 Sustainable Land Use - Match	580.00	580.00			580.00
Outpatient Services 2013 Grant (ASAM Level I)	4,991.50	4,991.50			4,991.50
Outpatient Services 2014 Grant (ASAM Level I)	6,320.00	6,320.00			6,320.00
Alcohol Education Rehabilitation Fund	53.93	53.93			53.93
Green Communities Grant - State Share (2008)		1,066.25		1,066.25	
Green Communities Grant - Match (2008)		1,500.00		1,500.00	
Green Communities Grant - Match (2013)	1,005.00	1,005.00			1,005.00
Monmouth County Historic Grant - Match	2,750.00	2,750.00		2,500.00	250.00
Sustainable Jersey Municipal Certification Program - Wal-Mart Grant	2.00	2.00			2.00
DYFS Parent/Child Visitation Grant (ASAM Level II) - 2013	4,213.96	4,213.96			4,213.96
DYFS Parent/Child Visitation Grant (ASAM Level II) - 2014	19,175.50	20,024.50		12,440.44	7,584.06
DYFS Parent/Child Visitation Grant (ASAM Level II) - 2015			75,000.00	63,807.27	11,192.73
EMPG Exercise Program - 2011	2,072.50	2,072.50			2,072.50
Emergency Management Assistance Grant - 2013					
State Share	15,000.00	15,000.00			15,000.00
Local Share	15,000.00	15,000.00			15,000.00

TOWNSHIP OF OCEAN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2014	MODIFIED	TRANSFERRED FROM 2015 BUDGET	PAID OR CHARGED	BALANCE DECEMBER 31, 2015
Community Hope Fund DARE Grant - 2011	\$ 0.22	\$ 0.22			\$ 0.22
Community Hope Fund DARE Grant - 2012	7.76	7.76			7.76
Community Hope Fund DARE Grant - 2013	1.70	1.70			1.70
Community Hope Fund DARE Grant - 2014	604.46	604.46			604.46
Community Hope Fund Human Services Grant - 2014	1,655.92	3,629.70		1,933.37	1,696.33
Community Hope Fund Project Extend Grant - 2014	3,000.00	3,000.00			3,000.00
Community Hope Fund LEAD - 2015			1,500.00		1,500.00
Community Hope Fund Project Extend Grant - 2015			3,000.00	2,375.00	625.00
Community Hope Fund Human Services Grant - 2015			5,100.00	618.41	4,481.59
Hazard Mitigation Grant Program - Energy Allocation Initiative	121,397.00	121,397.00			121,397.00
Supplemental Fire Services			9,841.00	9,841.00	
Emergency Watershed Protection Grant - 2013					
Federal Share	50,490.00	50,490.00			50,490.00
Local Share	4,210.00	4,210.00			4,210.00
	<u>\$ 742,406.84</u>	<u>\$ 772,086.77</u>	<u>\$ 582,012.41</u>	<u>\$ 519,340.23</u>	<u>\$ 834,758.95</u>
	REF. A		A-3		A
Reserve for Grants Appropriated	A-33	\$ 742,406.84			
Reserve for Encumbrances	A-15	<u>29,679.93</u>			
		<u>\$ 772,086.77</u>			
Cash Disbursements	A-4			\$ 497,590.73	
Reserve for Encumbrances	A-15			<u>21,749.50</u>	
				<u>\$ 519,340.23</u>	

TOWNSHIP OF OCEAN

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

	BALANCE DECEMBER <u>31, 2014</u>	CASH <u>RECEIPTS</u>	ANTICIPATED IN <u>2015 BUDGET</u>	BALANCE DECEMBER <u>31, 2015</u>
Drunk Driving Enforcement Fund	\$ 8,021.30	\$	\$ 8,021.30	\$
Recycling Tonnage Grant	55,092.35		55,092.35	
Body Armor Grant	<u>5,476.73</u>	<u>5,467.46</u>	<u>5,476.73</u>	<u>5,467.46</u>
	\$ <u><u>68,590.38</u></u>	\$ <u><u>5,467.46</u></u>	\$ <u><u>68,590.38</u></u>	\$ <u><u>5,467.46</u></u>
<u>REF.</u>	A	A-4	A-32	A

TOWNSHIP OF OCEAN

TRUST FUND

SCHEDULE OF TRUST CASH - TREASURER

	<u>REF.</u>	<u>ASSESSMENT</u>	<u>ANIMAL CONTROL FEES</u>	<u>OTHER</u>
Balance, December 31, 2014	B	\$ 207,595.84	\$ 22,494.93	\$ 7,048,395.45
Increased by Receipts:				
Collector	B-3	\$ 39,446.52	\$	\$
Due State of New Jersey	B-8		1,228.80	
Animal Control Fees	B-9		10,832.20	
State Unemployment Insurance	B-11			48,042.68
Payroll Deductions	B-12			8,952,332.78
Miscellaneous Deposits	B-13			3,802,583.66
Due Current Fund	B-14	<u>27.41</u>	<u>9.14</u>	<u>268.52</u>
		\$ <u>39,473.93</u>	\$ <u>12,070.14</u>	\$ <u>12,803,227.64</u>
		\$ <u>247,069.77</u>	\$ <u>34,565.07</u>	\$ <u>19,851,623.09</u>
Decreased by Disbursements:				
Due State of New Jersey	B-8	\$	\$ 1,162.80	\$
Expenditures Under R.S.4:19-15.11	B-9		10,896.60	
State Unemployment Insurance	B-11			23,677.30
Payroll Deductions	B-12			8,950,598.72
Miscellaneous Deposits	B-13			2,786,882.33
Due Current Fund	B-14	<u>17.04</u>	<u>8.19</u>	<u>240.80</u>
		<u>17.04</u>	<u>12,067.59</u>	<u>11,761,399.15</u>
Balance, December 31, 2015	B	\$ <u><u>247,052.73</u></u>	\$ <u><u>22,497.48</u></u>	\$ <u><u>8,090,223.94</u></u>

"B-3"

TOWNSHIP OF OCEAN

TRUST FUND

SCHEDULE OF TRUST CASH-COLLECTOR

	<u>REF.</u>	<u>ASSESSMENT</u>
Receipts:		
Assessments Receivable	B-5	\$ <u>39,446.52</u>
Decreased by Disbursements:		
Payment to Treasurer	B-2	\$ <u><u>39,446.52</u></u>

"B-4"

ANALYSIS OF ASSESSMENT CASH

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>
Fund Balance		\$ 187,881.88
Cash Deficit		(26,340.63)
Due General Capital Fund		<u>85,500.00</u>
		\$ <u><u>247,052.73</u></u>
	<u>REF.</u>	B

TOWNSHIP OF OCEAN

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>ANNUAL INSTALLMENTS</u>	<u>DUE DATES</u>	<u>BALANCE</u>		<u>BALANCE</u>		<u>PLEGED TO</u>	
					<u>DECEMBER 31, 2014</u>	<u>COLLECTED</u>	<u>DECEMBER 31, 2015</u>	<u>RESERVE</u>	<u>CAPITAL</u>	
2021	Sidewalk, Curb and Driveway Apron Improvements - Lakeview Avenue	6/16/2008	10	7/1/2009-2018	\$ 8,893.27	\$ 3,979.57	\$ 4,913.70	\$ 4,913.70	\$	\$
2028	Sidewalk, Curb and Driveway Apron Improvements - Lincoln Drive	6/16/2008	10	7/1/2009-2018	10,865.63	4,065.18	6,800.45	6,800.45		
2028	Sidewalk, Curb and Driveway Apron Improvements - Franklin Parkway	6/16/2008	10	7/1/2009-2018	1,231.13	872.91	358.22	358.22		
2106	Sidewalk, Curb and Driveway Apron Improvements	4/19/2010	5	6/1/2010-2014	886.93	886.93				
2107	Sidewalk, Curb and Driveway Apron Improvements	4/19/2010	5	6/1/2010-2014	256.83	256.83				
2146	Sidewalk, Curb and Driveway Apron Improvements	9/12/2011	4	12/1/2011-2014	8,400.61	7,963.45	437.16			437.16
2174	Sidewalk, Curb and Driveway Apron Improvements	11/14/2013	5	1/1/2014-2018	47,325.12	21,421.65	25,903.47			25,903.47
					<u>\$ 77,859.52</u>	<u>\$ 39,446.52</u>	<u>\$ 38,413.00</u>	<u>\$ 12,072.37</u>		<u>\$ 26,340.63</u>
				<u>REF.</u>	B	B-3	B	B-7		

TOWNSHIP OF OCEAN

ASSESSMENT TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

	<u>REF.</u>	
Balance, December 31, 2014 and December 31, 2015	B	\$ <u>85,500.00</u>

TOWNSHIP OF OCEAN

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>COLLECTIONS APPLIED</u>	<u>BALANCE DECEMBER 31, 2015</u>
Assessments Receivable:				
2021	Sidewalk, Curb and Driveway Apron Improvements - Lakeview Avenue	\$ 8,893.27	\$ 3,979.57	\$ 4,913.70
2028	Sidewalk, Curb and Driveway Apron Improvements - Lincoln Drive	10,865.63	4,065.18	6,800.45
2028	Sidewalk, Curb and Driveway Apron Improvements - Franklin Parkway	<u>1,231.13</u>	<u>872.91</u>	<u>358.22</u>
		\$ <u>20,990.03</u>	\$ <u>8,917.66</u>	\$ <u>12,072.37</u>
<u>REF.</u>		B	B-1	B:B-5

TOWNSHIP OF OCEAN

TRUST FUND

SCHEDULE OF ANIMAL LICENSE FEES DUE STATE OF NEW JERSEY

	<u>REF.</u>		
Balance, December 31, 2014	B	\$	4.60
Increased by:			
Cash Receipts	B-2	\$	<u>1,228.80</u>
			1,233.40
Decreased by:			
Cash Disbursements	B-2	\$	1,162.80
Transferred to Encumbrances Payable	B-10		<u>45.00</u>
			<u>1,207.80</u>
Balance, December 31, 2015	B	\$	<u><u>25.60</u></u>

TOWNSHIP OF OCEAN

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2014	B		\$ 22,489.80
Increased by:			
Animal Control Fees Collected	B-2	\$ 10,832.20	
			\$ 10,832.20
			\$ 33,322.00
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-2	\$ 10,896.60	
Encumbrances	B-10	445.00	
			\$ 11,341.60
Balance, December 31, 2015	B		\$ 21,980.40

<u>LICENSE FEES COLLECTED</u>		
<u>YEAR</u>		<u>AMOUNT</u>
2014	\$	11,299.20
2013		10,889.20
	\$	22,188.40

TOWNSHIP OF OCEAN

TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2014	B	\$	\$ 187,462.84
Increased by:			
Transferred from Miscellaneous Reserves	B-13		167,663.85
Transferred from Due State of New Jersey	B-8	45.00	
Transferred from Reserve for Animal Control	B-9	445.00	
		\$ 490.00	\$ 355,126.69
Decreased by			
Transferred to Miscellaneous Reserves	B-13		187,462.84
Balance, December 31, 2015	B	\$ 490.00	\$ 167,663.85

"B-11"

TOWNSHIP OF OCEAN

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>		
Balance, December 31, 2014	B	\$	91,138.04
Increased by:			
Budget Appropriation		\$	30,000.00
Employee Contributions			<u>18,042.68</u>
	B-2		<u>48,042.68</u>
		\$	<u>139,180.72</u>
Decreased by:			
Cash Disbursements	B-2		<u>23,677.30</u>
Balance, December 31, 2015	B	\$	<u><u>115,503.42</u></u>

"B-12"

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2014	B	\$	20,001.43
Increased by:			
Cash Receipts	B-2		<u>8,952,332.78</u>
		\$	<u>8,972,334.21</u>
Decreased by:			
Disbursements	B-2		<u>8,950,598.72</u>
Balance, December 31, 2015	B	\$	<u><u>21,735.49</u></u>

TOWNSHIP OF OCEAN

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS AND RESERVES

	BALANCE DECEMBER 31, 2014	MODIFIED	CASH RECEIPTS	CASH DISBURSEMENTS	TRANSFERRED TO ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2015
Review Fees	\$ 280,064.48	\$ 280,064.48	\$ 99,518.25	\$ 91,052.25		\$ 288,530.48
Inspection Fees	519,478.26	519,478.26	258,336.18	245,408.30		532,406.14
Performance Bonds	2,161,078.68	2,161,078.68	903,116.74	377,798.12		2,686,397.30
Public Defender	6,097.92	6,097.92	21,352.46	21,034.45		6,415.93
Joint Insurance Fund Refunds	164,585.36	168,226.56	1,959.23	21,768.82	6,402.29	142,014.68
Rezoning Requests	9,036.75	9,036.75	4,000.00	4,281.25		8,755.50
POAA	2,383.10	2,383.10	134.00			2,517.10
Tax Sale Premium	1,475,400.00	1,523,900.00	878,600.00	649,600.00	113,500.00	1,639,400.00
Shade Trees	84,749.42	88,749.42	40,395.00	8,693.50	99.00	120,351.92
Deferred Vacation	34,711.70	34,711.70	151,367.72	50,873.50		135,205.92
Deferred Sick Leave	445,357.75	445,357.75	216,680.46	129,339.57		532,698.64
Street Opening	40,500.00	40,500.00	1,951.50	500.00		41,951.50
Municipal Alliance	4,131.35	4,131.35				4,131.35
Bid Deposits	48,619.89	48,619.89	830.00	800.00		48,649.89
Affordable Housing	38.62	38.38				38.38
Unclaimed Monies	3,959.01	3,964.72	2,575.52	1,077.02	5.71	5,457.51
Multiple Dwellings	174,250.32	174,250.32	185.52			174,435.84
Workers Compensation	0.00	0.00	43,111.32	43,111.32		0.00
Law Enforcement	14,122.16	27,958.16	1,366.25	16,500.00		12,824.41
TORTA (Recreation Trust)	213,334.29	215,144.88	45,177.82	14,693.33	424.00	245,205.37
TTL's (Outside Liens)	158,374.43	274,044.01	604,353.33	818,497.39	47,232.85	12,667.10
Off Duty Police	24,324.75	24,324.75	273,977.50	266,128.75		32,173.50
Development Impact Fees	335,200.00	335,200.00				335,200.00
Snow Removal	5,223.24	5,223.24				5,223.24
Animal House Bond	4,000.00	4,000.00				4,000.00
Stormwater Management	139,611.20	139,611.20	13,530.77	207.41		152,934.56
Sales and Use Tax	11.17	11.17	12,519.15	12,530.31		0.01
Margaret Crawford Donation	300.00	300.00				300.00
Cell Tower Lease (Palaia Park)	315,464.93	315,464.93	42,090.18	1,291.67		356,263.44
Colonial Terrace Golf Course Donations	1,099.11	1,099.11				1,099.11
Logan Road Paving	11,150.00	11,150.00				11,150.00
OTPD Rude Awakening			11,385.00	11,342.67		42.33
C.O.A.H. Trust	73,119.65	73,119.65	174,069.76	352.70		246,836.71
	<u>\$ 6,749,777.54</u>	<u>\$ 6,937,240.38</u>	<u>\$ 3,802,583.66</u>	<u>\$ 2,786,882.33</u>	<u>\$ 167,663.85</u>	<u>\$ 7,785,277.86</u>
REF.	B		B-2	B-2	B-10	B
Reserves	B-13	\$ 6,749,777.54				
Transferred from Encumbrances Payable	B-10	<u>187,462.84</u>				
		<u>\$ 6,937,240.38</u>				

TOWNSHIP OF OCEAN

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>ASSESSMENT</u> <u>TRUST FUND</u>	<u>ANIMAL</u> <u>CONTROL</u> <u>TRUST FUND</u>	<u>TRUST</u> <u>OTHER</u> <u>FUND</u>
Balance, December 31, 2014:				
Interfunds Payable	B	\$ 1.11 \$	0.53 \$	15.60
Receipts	B-2	27.41	9.14	268.52
		\$ <u>28.52</u>	<u>9.67</u>	<u>284.12</u>
Disbursements	B-2	17.04	8.19	240.80
Balance, December 31, 2015:				
Interfunds Payable	B	\$ <u>11.48</u> \$	<u>1.48</u> \$	<u>43.32</u>

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH

	<u>REF.</u>		
Balance, December 31, 2014	C	\$	12,289,351.73
Increased by Receipts:			
2015 Budget Appropriations:			
Capital Improvement Fund	C-7	\$	160,000.00
Improvement Authorizations - Refunds	C-8		16,380.88
Bond Anticipation Note	C-11		648,000.00
Various Reserves	C-14		437,104.25
Grants Receivable	C-15		325,000.00
Due Current Fund	C-4		<u>7,165,985.25</u>
			8,752,470.38
		\$	<u>21,041,822.11</u>
Decreased by Disbursements:			
Contracts Payable	C-13	\$	3,197,860.05
Due Current Fund	C-4		7,160,000.00
Bond Anticipation Note	C-11		<u>5,898,000.00</u>
			<u>16,255,860.05</u>
Balance, December 31, 2015	C	\$	<u><u>4,785,962.06</u></u>

"C-3"

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

		BALANCE DECEMBER <u>31, 2015</u>
Fund Balance	\$	123,219.03
Capital Improvement Fund		6.72
Improvement Authorizations Funded as Set Forth on "C-8"		1,461,929.61
Unfunded Improvements Expended - Listed on "C-6"		(3,149,873.93)
Due Current Fund		237.16
Due Grant Fund		(136,000.00)
Grants Receivable		(275,750.00)
Due Assessment Trust Fund		(85,500.00)
Various Reserves		2,310,029.16
Contracts Payable		<u>4,537,664.31</u>
	\$	<u>4,785,962.06</u>
	<u>REF.</u>	C

"C-4"

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2014 (Due From)	C	\$	(5,748.09)
Increased by:			
Cash Receipts	C-2	\$	<u>7,165,985.25</u>
		\$	<u>7,160,237.16</u>
Decreased by:			
Cash Disbursements	C-2		<u>7,160,000.00</u>
Balance, December 31, 2015 (Due To)	C	\$	<u><u>237.16</u></u>

"C-5"

SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION-FUNDED

Balance, December 31, 2014	C	\$	26,767,000.00
Decreased by:			
Budget Appropriation to Pay Bonds	C-10	\$	<u>1,678,000.00</u>
			<u>1,678,000.00</u>
Balance, December 31, 2015	C	\$	<u><u>25,089,000.00</u></u>

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	INCREASED BY NEW ORDINANCES	NOTES PAID BY BUDGET	BALANCE DECEMBER 31, 2015	ANALYSIS OF BALANCE, DECEMBER 31, 2015		
						BOND ANTICIPATION NOTE	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
2131;2136	Curb and Sidewalk Improvements	\$ 74,100.00	\$	\$	\$ 74,100.00	\$	\$	\$ 74,100.00
2146	Curb and Sidewalk Improvements	123,055.36			123,055.36			123,055.36
2156	Curb and Sidewalk Improvements	347,300.00			347,300.00		163,639.50	183,660.50
2183	Various Improvements	1,585.00			1,585.00			1,585.00
2189	Curb and Sidewalk Improvements	123,500.00			123,500.00		95,963.73	27,536.27
2204	Various Improvements	6,500,435.00			6,500,435.00		1,105,443.11	5,394,991.89
2210	Acquisition of Automated Trash Collection Trucks	3,500.00			3,500.00		3,500.00	
2212	Refunding Bond Ordinance	972,000.00		324,000.00	648,000.00	648,000.00		
2219	Various Improvements	3,034.00			3,034.00			3,034.00
2220	Curb and Sidewalk Improvements	166,250.00			166,250.00			166,250.00
2226	Various Improvements	4,492.00			4,492.00			4,492.00
2227	Curb and Sidewalk Improvements	316,065.00			316,065.00		311,200.00	4,865.00
2235	Acquisition of Real Property	114,000.00			114,000.00		265.00	113,735.00
2244	Various Improvements		2,007,302.00		2,007,302.00		1,266,478.09	740,823.91
2250	Various Improvements & Special Assessments		213,750.00		213,750.00		203,384.50	10,365.50
		<u>\$ 8,749,316.36</u>	<u>\$ 2,221,052.00</u>	<u>\$ 324,000.00</u>	<u>\$ 10,646,368.36</u>	<u>\$ 648,000.00</u>	<u>\$ 3,149,873.93</u>	<u>\$ 6,848,494.43</u>
REF.		C	C-8	C-11	C	C-11	C-3	C-8

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2014	C	\$	26.72
Increased by:			
2015 Appropriations	C-2	\$	<u>160,000.00</u>
			160,026.72
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-8		<u>160,020.00</u>
Balance, December 31, 2015	C	\$	<u><u>6.72</u></u>

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	CONTRACTS PAYABLE	REFUND	BALANCE DECEMBER 31, 2015	
			AMOUNT	FUNDED				UNFUNDED	FUNDED
2100	Various Capital Improvements	5/19/08	\$ 1,816,380.00	\$ 56.45	\$	\$	\$	\$ 56.45	\$
2101;2134	Purchase of Equipment	5/19/08;8/17/09	127,354.00	79.54				79.54	
2106	Curb and Sidewalk Improvements	7/8/08	118,000.00	1,100.55				1,100.55	
2107	Curb and Sidewalk Improvements	8/11/08	11,000.00	11,000.00				11,000.00	
2127;2170	Various Improvements	7/13/09	1,720,677.00	19,533.75		19,533.75			
2131;2136	Curb and Sidewalk Improvements	7/13/09;9/21/09	78,000.00	3,900.00				3,900.00	74,100.00
2133	Acquisition of Machinery and Equipment	8/17/09	802,000.00	206,961.04		15,286.50		191,674.54	
2145	Various Improvements	6/14/10	2,040,604.00	38,185.12		17,714.13		20,470.99	
2146	Curb and Sidewalk Improvements	6/14/10	236,475.00	11,825.00				11,825.00	123,055.36
2156	Curb and Sidewalk Improvements	10/4/10	410,000.00						183,660.50
2171	Various Capital Improvements	5/16/11	2,569,280.00	114,805.27		80,773.65	4,375.00	38,406.62	
2174	Curb and Sidewalk Improvements	9/12/11	90,000.00	3,626.84				3,626.84	
2183	Various Improvements	5/2/12	2,579,689.00	536,666.31		95,265.04		441,401.27	1,585.00
2189	Curb and Sidewalk Improvements	8/6/12	130,000.00						27,536.27
2190	Various Improvements	10/17/12	7,400,000.00	113,821.11				113,821.11	
2204	Various Improvements	5/23/13	9,359,543.00	71,050.84	6,500,435.00	1,184,373.95	7,880.00		5,394,991.89
2219	Various Improvements	5/7/14	2,487,520.00	652,398.93	3,034.00	185,531.11	4,125.88	470,993.70	3,034.00
2220	Curb and Sidewalk Improvements	5/22/14	175,000.00	8,065.00				8,065.00	166,250.00
2226	Various Improvements	7/9/14	1,194,202.00	170,615.90		25,107.90		145,508.00	4,492.00
2227	Curb and Sidewalk Improvements	10/16/14	332,700.00			135.00			4,865.00
2235	Acquisition of Real Property	12/30/2014	120,000.00	6,000.00		6,265.00			113,735.00
2244	Various Improvements	6/18/2015	2,338,172.00		2,338,172.00	1,597,348.09			740,823.91
2250	Various Improvements and Special Assessments	10/15/2015	225,000.00		225,000.00	214,634.50			10,365.50
			\$ 1,969,691.65	\$ 7,217,865.22	\$ 2,563,172.00	\$ 3,456,685.71	\$ 16,380.88	\$ 1,461,929.61	\$ 6,848,494.43
REF.			C	C		C-13	C-2	C; C-3	C; C-6
Capital Improvement Fund			C-7		\$ 160,020.00				
Capital Surplus			C-1		100.00				
Grants Receivable			C-15		182,000.00				
Deferred Charges to Future Taxation-Unfunded			C-6		2,221,052.00				
					\$ 2,563,172.00				

"C-9"

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF DUE ASSESSMENT TRUST FUND

REF.

Balance December 31, 2014 and
December 31, 2015 (Due From)

C

\$ 85,500.00

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2015</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2015</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Loan Revenue Bonds	12/1/2007	\$ 15,342,000.00	12/1/2016	\$ 793,000.00	5.000%	\$ 10,567,000.00	\$ 753,000.00	\$ 9,814,000.00
			12/1/2017	831,000.00	5.000%			
			12/1/2018	874,000.00	5.250%			
			12/1/2019	918,000.00	4.000%			
			12/1/2020	954,000.00	4.000%			
			12/1/2021	992,000.00	5.250%			
			12/1/2022	1,047,000.00	4.250%			
			12/1/2023	1,087,000.00	4.250%			
			12/1/2024	1,133,000.00	4.250%			
			12/1/2025	1,185,000.00	4.250%			
			General Obligation Bonds	11/1/2014	16,200,000.00			
11/1/2017	950,000.00	3.000%						
11/1/2018	975,000.00	3.000%						
11/1/2019	1,000,000.00	5.000%						
11/1/2020	1,020,000.00	5.000%						
11/1/2021	1,045,000.00	5.000%						
11/1/2022	1,070,000.00	5.000%						
11/1/2023	1,095,000.00	5.000%						
11/1/2024	1,120,000.00	3.000%						
11/1/2025	1,145,000.00	3.000%						
11/1/2026	1,170,000.00	3.000%						
11/1/2027	1,220,000.00	3.000%						
11/1/2028	1,245,000.00	3.000%						
11/1/2029	1,270,000.00	3.000%						
						\$ 26,767,000.00	\$ 1,678,000.00	\$ 25,089,000.00
<u>REF.</u>						C	C-5	C

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2015</u>
General Improvements:									
2204	Various Improvements	12/18/13	12/17/14	03/10/15	0.60%	\$ 5,250,000.00	\$	\$ 5,250,000.00	\$
2212	Refunding Bond Ordinance	12/17/14	12/17/14	03/10/15	0.60%	972,000.00		972,000.00	
2212	Refunding Bond Ordinance	12/17/14	03/10/15	03/09/16	1.10%		648,000.00		648,000.00
						<u>\$ 6,222,000.00</u>	<u>\$ 648,000.00</u>	<u>\$ 6,222,000.00</u>	<u>\$ 648,000.00</u>
					<u>REF.</u>	C	C-2		C;C-6
	Cash Disbursements				C-2			\$ 5,898,000.00	
	Notes Paid By Budget				C-6			<u>324,000.00</u>	
								<u>\$ 6,222,000.00</u>	

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF DUE GRANT FUND

REF.

Balance December 31, 2014 and
December 31, 2015 (Due From)

C

\$ 136,000.00

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2014	C	\$	3,995,573.90
Increased by:			
Contracts Payable			
Improvement Authorizations	C-8	\$	3,456,685.71
Various Reserves	C-14		<u>283,264.75</u>
			3,739,950.46
		\$	<u>7,735,524.36</u>
Decreased by:			
Cash Disbursements	C-2		<u>3,197,860.05</u>
Balance, December 31, 2015	C	\$	<u><u>4,537,664.31</u></u>

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

	BALANCE DECEMBER <u>31, 2014</u>	<u>INCREASED</u>	<u>DECREASED</u>	BALANCE DECEMBER <u>31, 2015</u>
Reserve For:				
Contribution For Road Repairs	\$ 33,067.38	\$	\$	\$ 33,067.38
Payment of Bonds	396,655.98	395,137.50	249,778.00	542,015.48
Drainage Improvements	5,000.00			5,000.00
Traffic Improvements	10,000.00			10,000.00
Sunset Ave Phase VI	175,000.00			175,000.00
Purchase of EDP Equipment	1,041.63			1,041.63
Payment of Bonds - 2014 Series	1,535,424.67			1,535,424.67
Paving of Deal Lake		33,486.75	33,486.75	
Larchwood Ave Paving		8,480.00		8,480.00
	<u>\$ 2,156,189.66</u>	<u>\$ 437,104.25</u>	<u>\$ 283,264.75</u>	<u>\$ 2,310,029.16</u>
<u>REF.</u>	C	C-2	C-13	C

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2014	C	\$ 418,750.00
Increased by:		
Improvement Authorizations	C-8	182,000.00
		\$ <u>600,750.00</u>
Decreased by:		
Cash Receipts	C-2	<u>325,000.00</u>
Balance, December 31, 2015	C	\$ <u><u>275,750.00</u></u>

TOWNSHIP OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
2131;2136	Curb and Sidewalk Improvements	\$ 74,100.00
2146	Curb and Sidewalk Improvements	123,055.36
2156	Curb and Sidewalk Improvements	347,300.00
2183	Various Improvements	1,585.00
2189	Curb and Sidewalk Improvements	123,500.00
2204	Various Improvements	6,500,435.00
2212	Refunding Bond Ordinance	3,500.00
2219	Various Improvements	3,034.00
2220	Curb and Sidewalk Improvements	166,250.00
2226	Various Improvements	4,492.00
2227	Curb and Sidewalk Improvements	316,065.00
2235	Acquisition of Real Property	114,000.00
2244	Various Improvements	2,007,302.00
2250	Various Improvements and Special Assessment	<u>213,750.00</u>
		\$ <u><u>9,998,368.36</u></u>

TOWNSHIP OF OCEAN

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH-TREASURER

	<u>REF.</u>		<u>P.A.T.F. I</u>		<u>FUND TOTAL</u>
Balance, December 31, 2014	D	\$	58,009.07	\$	58,009.07
Decreased by:					
Public Assistance Not Reported	D-4		<u>1,350.00</u>		<u>1,350.00</u>
Balance, December 31, 2015	D	\$	<u>56,659.07</u>	\$	<u>56,659.07</u>

TOWNSHIP OF OCEAN

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION PER N.J.S.A. 40A:5-5

	<u>REF.</u>		
Balance, December 31, 2015 and February 28, 2016	D	\$	<u>56,659.07</u>

<u>RECONCILIATION - FEBRUARY 28, 2016</u>		<u>P.A.T.F. I ACCOUNT</u>		<u>TOTAL</u>
Balance on Deposit Per Statement of: TD Bank Account #36551228	\$	<u>56,659.07</u>	\$	<u>56,659.07</u>
Balance, February 28, 2016	\$	<u>56,659.07</u>	\$	<u>56,659.07</u>

TOWNSHIP OF OCEAN

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION FOR THE YEAR ENDED DECEMBER 31, 2014

Balance, December 31, 2014	\$	58,009.07
Decreased by:		
Cash Disbursements		<u>1,350.00</u>
Balance, December 31, 2015	\$	<u><u>56,659.07</u></u>

RECONCILIATION - DECEMBER 31, 2015	<u>P.A.T.F. II</u> <u>ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of:		
TD Bank		
Account #36551228	\$ <u>56,659.07</u>	\$ <u>56,659.07</u>
Balance, December 31, 2015	\$ <u><u>56,659.07</u></u>	\$ <u><u>56,659.07</u></u>

TOWNSHIP OF OCEAN

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>P.A.T.F.</u> <u>ACCOUNT #1</u>	<u>FUND</u> <u>TOTAL</u>
Payments for Assistance Not Reported	\$ <u>1,350.00</u>	\$ <u>1,350.00</u>
Total Disbursements (P.A.T.F.)	\$ <u><u>1,350.00</u></u>	\$ <u><u>1,350.00</u></u>

REF.

D-1

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TOWNSHIP OF OCEAN

PART II

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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members
of the Township Committee
Township of Ocean
County of Monmouth
Oakhurst, New Jersey 07755-1589

We have audited, in accordance with the 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Ocean, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated March 24, 2016. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Ocean prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory financial statements, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Township's internal control.

SUPLEE, CLOONEY & COMPANY

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 24, 2016

TOWNSHIP OF OCEAN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANTORS NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD		RECEIVED 2015	EXPENDITURES 2015	CUMULATIVE EXPENDITURES DECEMBER 31, 2015
				FROM	TO			
<u>U.S. Department of Housing and Urban Development:</u>								
<u>Pass Through from County of Monmouth:</u>								
Community Development Block Grant West Park Ave Recreation	14.218	G-14-56-892-140	\$ 162,714.00	9/1/2014	8/31/2014	\$ -0-	\$ -0-	\$ 140,000.00
						\$ -0-	\$ -0-	\$ 140,000.00
<u>U.S. Department of Agriculture:</u>								
Emergency Watershed Protection Program	10.923	68-2B29-13-193	163,800.00	6/12/2013	3/12/2014	\$ -0-	\$ -0-	\$ 113,310.00
						\$ -0-	\$ -0-	\$ 113,310.00
<u>U.S. Department of Justice:</u>								
<u>Pass Through the State of New Jersey</u>								
<u>Department of Law and Public Safety:</u>								
Bulletproof Vest Program - 2004	16.607		8,025.00	1/1/2004	12/31/2004	\$ -0-	\$ -0-	\$ 7,974.52
Bulletproof Vest Program - 2009	16.607		7,589.08	1/1/2008	12/31/2008	-0-	-0-	7,587.48
Bulletproof Vest Program - 2013	16.607		6,480.00	1/1/2013	12/31/2013	2,670.80	1,157.66	6,480.00
Bulletproof Vest Program - 2014	16.607		4,900.00	1/1/2014	12/31/2014	2,142.20	4,141.04	4,895.04
Emergency Management Performance Grant	97.042	15-100-066-1200-726	14,000.00	1/1/2013	12/31/2013	-0-	-0-	14,000.00
						\$ 4,813.00	\$ 5,298.70	\$ 40,937.04
<u>Pass Through from State of New Jersey:</u>								
<u>Federal Highway Administration</u>								
<u>Transportation Enhancement Grant:</u>								
Improvements to Sunset Avenue Phase VI	20.205	13-480-078-6320-AD2	175,000.00		Continuous	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00
Improvements to Allaire Avenue	20.205	14-480-078-6320-ALW	200,000.00		Continuous	106,250.00	25,107.90	54,492.00
						\$ 281,250.00	\$ 200,107.90	\$ 229,492.00
						\$ 286,063.00	\$ 205,406.60	\$ 523,739.04

TOWNSHIP OF OCEAN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	RECEIVED 2015	EXPENDITURES 2015	CUMULATIVE EXPENDITURES DECEMBER 31, 2015
		FROM	TO				
<u>Pass Through from County of Monmouth:</u>							
Drug Abuse Council	200-475-99151120-60	1/1/2012	12/31/2012	\$ 44,499.00	\$ -0-	\$ -0-	\$ 39,812.00
Drug Abuse Council	200-475-99151120-60	1/1/2013	12/31/2013	41,361.00	-0-	-0-	41,361.00
Drug Abuse Council	200-475-99151120-60	1/1/2014	12/31/2014	36,964.00		-0-	36,964.00
					<u>9,241.00</u>	<u>-0-</u>	<u>39,812.00</u>
					\$ <u>9,241.00</u>	\$ <u>-0-</u>	\$ <u>39,812.00</u>
<u>Department of Environmental Protection:</u>							
Clean Communities Program	13-765-042-4900-004	1/1/2013	12/31/2013	58,171.12	\$ -0-	\$ 8,253.74	\$ 58,171.12
Clean Communities Program	14-765-042-4900-004	1/1/2014	12/31/2014	54,537.16	-0-	33,611.88	38,921.58
Clean Communities Program	15-765-042-4900-004	1/1/2015	12/31/2015	66,285.03	66,285.03	3,913.85	3,913.85
Recycling Tonnage Grant - Prior	100-042-4910-224	Continuous		165,676.41	-0-	3,795.64	58,394.98
Recycling Tonnage Grant - 2013	14-100-042-4910-224	Continuous		52,265.08	-0-	-0-	-0-
Recycling Tonnage Grant - 2014	15-100-042-4910-224	Continuous		55,092.35	-0-	-0-	-0-
					<u>66,285.03</u>	<u>49,575.11</u>	<u>159,401.53</u>
					\$ <u>66,285.03</u>	\$ <u>49,575.11</u>	\$ <u>159,401.53</u>
<u>Department of Law and Public Safety:</u>							
Drunk Driving Enforcement Fund - Prior	1110-101-030000-129040	Continuous		37,798.23	\$ -0-	\$ 6,228.64	\$ 33,891.50
Drunk Driving Enforcement Fund - 2013	1110-101-030000-129040	Continuous		9,051.36	-0-	951.86	951.86
Drunk Driving Enforcement Fund - 2014	1110-101-030000-129040	Continuous		8,720.88	-0-	-0-	-0-
Drunk Driving Enforcement Fund - 2015 (Unappropriated)	1110-101-030000-129040	Continuous		8,021.30	-0-	-0-	-0-
Safe and Secure Communities Program	13-100-066-1020-232	5/4/2013	5/3/2014	60,000.00	60,000.00	-0-	60,000.00
Safe and Secure Communities Program	14-100-066-1020-232	5/4/2014	5/3/2015	60,000.00	60,000.00	23,076.96	60,000.00
Safe and Secure Communities Program	15-100-066-1020-232	5/4/2015	5/3/2016	60,000.00	-0-	36,923.04	36,923.04
Body Armor Replacement Fund - Prior	718-066-1020-001	Continuous		37,135.91	-0-	7,469.50	26,130.82
Body Armor Replacement Fund - 2014	14-718-066-1020-001	Continuous		7,235.74	-0-	-0-	-0-
Body Armor Replacement Fund - 2015	15-718-066-1020-001	Continuous		5,476.73	-0-	-0-	-0-
Body Armor Replacement Fund - 2016 (Unappropriated)	16-718-066-1020-001	Continuous		5,467.46	5,467.46	-0-	-0-
					<u>125,467.46</u>	<u>74,650.00</u>	<u>217,897.22</u>
					\$ <u>125,467.46</u>	\$ <u>74,650.00</u>	\$ <u>217,897.22</u>
<u>Department of Human Services:</u>							
ASAM Level I - Outpatient Services	11S-13	1/1/2013	12/31/2013	49,500.00	\$ -0-	\$ -0-	\$ 44,508.50
ASAM Level II - Intensive Outpatient Services	11S-13	1/1/2013	12/31/2013	75,000.00	-0-	-0-	70,786.04
ASAM Level I - Outpatient Services	11S-13	1/1/2014	12/31/2014	49,440.00	12,315.00	-0-	43,120.00
ASAM Level II - Intensive Outpatient Services	11S-13	1/1/2014	12/31/2014	75,000.00	18,750.00	11,591.44	67,415.94
ASAM Level II - Intensive Outpatient Services	11S-13	1/1/2015	12/31/2015	75,000.00	56,250.00	63,807.27	63,807.27
					<u>87,315.00</u>	<u>75,398.71</u>	<u>225,830.48</u>
					\$ <u>87,315.00</u>	\$ <u>75,398.71</u>	\$ <u>225,830.48</u>
					<u>288,308.49</u>	<u>199,623.82</u>	<u>642,941.23</u>
					\$ <u>288,308.49</u>	\$ <u>199,623.82</u>	\$ <u>642,941.23</u>

TOWNSHIP OF OCEAN

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2015 AND 2014

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Township of Ocean, County of Monmouth, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exceptions, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in the Current Fund, Grant Fund and General Capital Fund.

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund:				
Appropriated	\$ 4,813.00	\$ 282,841.03	\$ 63,182.92	\$ 350,836.95
Unappropriated		5,467.46		5,467.46
General Capital Fund	<u>281,250.00</u>	<u> </u>	<u> </u>	<u>281,250.00</u>
	<u>\$ 286,063.00</u>	<u>\$ 288,308.49</u>	<u>\$ 63,182.92</u>	<u>\$ 637,554.41</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ 5,298.70	\$ 199,623.82	\$ 284,737.78	\$ 489,660.30
General Capital Fund	<u>200,107.90</u>	<u> </u>	<u> </u>	<u>200,107.90</u>
	<u>\$ 205,406.60</u>	<u>\$ 199,623.82</u>	<u>\$ 284,737.78</u>	<u>\$ 689,768.20</u>

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

Township of Ocean
Monmouth County, New Jersey

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2015

Status of Prior Year Audit Findings

2013-01

That the Township establish and monitor internal controls over the compliance requirement of accurate reporting for the Disaster Grants - Public Assistance.

Current Status

Corrective Action has been taken, however the Township is awaiting the final close out of the grant to finalize all questioned costs.

PART III
TOWNSHIP OF OCEAN
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>2.250</u>	<u>2.221</u>	<u>2.155</u>
Apportionment of Tax Rate:			
Municipal	0.493	0.492	0.470
County	0.326	0.321	0.323
Local School	1.431	1.408	1.362

ASSESSED VALUATIONS:

2015	<u>\$4,196,450,982.00</u>		
2014		<u>\$4,201,479,913.00</u>	
2013			<u>\$4,268,798,477.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH COLLECTION</u>	<u>CURRENTLY PERCENTAGE OF COLLECTIONS</u>
2015	\$97,944,118.59	\$96,627,120.91	98.65%
2014	96,384,878.72	94,881,599.74	98.44%
2013	95,024,840.03	93,307,020.25	98.19%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2015	\$607,107.50	\$1,320,821.51	\$1,927,929.01	1.97%
2014	549,201.21	1,387,733.91	1,936,935.12	2.01%
2013	502,814.63	1,404,297.88	1,907,112.51	2.01%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$848,681.00
2014	\$848,681.00
2013	\$849,381.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2015	\$7,291,934.04	\$6,475,000.00 *
	2014	7,504,497.00	6,550,000.00
	2013	7,354,600.89	6,625,000.00
	2012	7,121,797.25	6,700,000.00
	2011	7,980,475.22	6,840,000.00

* - Per Introduced Budget

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT</u>
Christopher P. Siciliano	Mayor	*
William J. Garofolo	Deputy Mayor	
Donna L. Schepiga	Councilmember	*
Robert V. Acerra, Sr.	Councilmember	*
Richard H. Long	Councilmember	*
Andrew G. Brannen	Township Manager	*
Vincent Buttiglieri	Township Clerk	*
Stephen O. Gallagher	Director of Finance/Chief Financial Officer	*
Stephen O. Gallagher	Tax Collector	*
Steven Peters	Chief of Police	*
Thomas Crochet	Director of Public Works	*
Kathy Reiser	Co-Director of Human Services	*
Sharon Moleski	Co-Director of Human Services	*
Marianne Wilensky	Director of Community Development	*
Timothy McGoughran	Municipal Court Judge	*
Jacqueline Dowd	Court Administrator	*
Gloria Walker	Deputy Court Administrator	*
Salvatore Massaro	Construction Official to 11/03/15	*
Edward Mullane	Tax Assessor	*
Kathy Reiser	Recreation Administrator	*

*Public employees bonded by blanket performance bonds of the Mid-Jersey Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund in force covering each employee for a total of \$1,000,000.00. All of the bonds were examined and were properly executed.

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COMMENTS AND RECOMMENDATIONS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$40,000.00 if the entity has a Qualified Purchasing Agent. The Township has a Qualified Purchasing Agent and has elected to increase its bid threshold to \$36,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

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

- Road Construction Materials
- 8-Cubic Yard Rear-Loading Collection Truck
- Traffic Striping and Pavement Marking
- Unarmed Security System - Court
- Colonial Terrace Golf Course Maintenance
- Improvements to Various Streets and Roads

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4
(CONTINUED)

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A. 40:11-14:

Planner
Engineering Services
Attorney
Appraisal Services
Architect
Auditor
Labor Council
Bond Council

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 7, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

“NOW, THEREFORE, BE IT RESOLVED, by the Township Council of the Township of Ocean County of Monmouth that:

The rate of interest on unpaid taxes, assessments or other municipal charges shall be eight (8%) percent per annum on the first One Thousand Five Hundred (\$1,500.00) Dollars of delinquent taxes, assessments or other municipal charges that become delinquent after the due date and eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred (\$1,500.00) Dollars to be calculated from the date the tax, assessments or other municipal charges was payable until the date of actual payment, provided that no interest shall be charged if payment of any installment is made on or before the tenth calendar day following the date upon which the same became payable and, where the 10th falls on a Saturday, Sunday or legal holiday, than they will be payable the next working day; and,

In addition to the interest provided above, on all delinquencies in excess of Ten Thousand (\$10,000.00) Dollars not paid prior to the end of the fiscal year, the Tax Collector shall also collect a penalty of six (6%) percent of the amount of the delinquency in excess of Ten Thousand (\$10,000.00)

For all taxes, assessments, and other municipal charges sold as tax liens to outside lien holders or struck to the Township of Ocean, a redemption penalty shall be charge for an additional two (2%) percent when the redemption is over \$200.00 but not over \$5,000.00; four (4%) percent when the redemption is over \$5,000.00 but less than \$10,000.00 and six (6%) percent for redemptions in excess of \$10,000.

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2016 Taxes	25
Payments of 2015 Taxes	25
Delinquent Taxes	25

TAX TITLE LIENS

The last tax sale was held on October 15, 2015 and was complete.

An examination of the tax sale certificates revealed all certificates were on file and available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2015	13
2014	12
2013	7

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

OTHER COMMENTS

Interfund Balances

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year. It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

None