

**TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY**

**AUDIT REPORT FOR THE
YEAR ENDED DECEMBER 31, 2015**

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COUNTY OF OCEAN, NEW JERSEY
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COUNTY OF OCEAN, NEW JERSEY
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**TOWNSHIP OF OCEAN
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITORS' REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**



HOLMAN | FRENIA
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Ocean
County of Ocean
Waretown, New Jersey 08758

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Ocean, County of Ocean, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

The effects on the financial statements of the variances between 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 Township of Ocean, County of Ocean, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 9.84% and 10.16% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2015 and 2014.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Ocean, County of Ocean, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Township of Ocean adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not required parts of the above financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Ocean's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 28, 2016

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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*

Honorable Mayor and Members
of the Township Council
Township of Ocean
County of Ocean
Waretown, New Jersey 08758

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Township of Ocean (herein referred to as “the Municipality”), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated June 28, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township of Ocean’s financial statements as of and for the year ended December 31, 2015. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or

detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Municipality'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 Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 28, 2016

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	Ref.	2015	2014
<u>Assets</u>			
Cash	A-4	\$ 3,713,590.33	\$ 3,455,569.11
Cash - Change Fund	A-4	875.00	875.00
		<u>3,714,465.33</u>	<u>3,456,444.11</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	436,135.27	371,182.46
Tax Title Liens Receivable	A-6	527,052.83	485,936.73
Property Acquired for Taxes		2,155,800.00	2,155,800.00
Revenue Accounts Receivable	A-7	8,108.90	8,781.06
Interfund:			
General Capital Fund	A-14	-	1,633.19
Grant Fund	A-15	161,104.84	130,961.56
Animal Control Trust	A-14	8,336.59	-
		<u>3,296,538.43</u>	<u>3,154,295.00</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-8	640,000.00	980,000.00
		<u>640,000.00</u>	<u>980,000.00</u>
		<u>7,651,003.76</u>	<u>7,590,739.11</u>
<u>Grant Fund</u>			
Grants Receivable	A-16	305,003.19	645,480.31
		<u>305,003.19</u>	<u>645,480.31</u>
		<u>\$ 7,956,006.95</u>	<u>\$ 8,236,219.42</u>

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	Ref.	2015	2014
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3,9	\$ 737,245.72	\$ 795,780.89
Reserve for Encumbrances	A-3,9	119,694.80	46,896.05
Accounts Payable	A-13	100,000.00	133,999.11
Special Emergency Notes Payable	A-4	470,000.00	900,000.00
Tax Overpayments	A-4,5	17,258.21	75,122.45
Prepaid Taxes	A-4,5	279,665.81	267,432.03
Due to State of New Jersey:			
Senior and Veteran Deductions		6,892.78	222.57
Marriage Licenses		280.00	175.00
Training Fees		2,119.00	3,038.00
County Taxes Payable	A-10	80,855.41	125,429.98
Local School Taxes Payable	A-12	99,739.10	17,669.10
Spending Reserves:			
Superstorm Sandy	A-13	609,550.77	665,059.23
Sandy Aid	A-13	142,998.41	49,725.03
Revaluation	A-13	12,019.00	12,019.00
Pinelands Stabilization	A-4	24,522.00	16,348.00
Fire Code Violations	A-13	250.00	250.00
Payroll Deductions Payable	A	5,566.21	8,265.73
Interfund:			
Utility - Capital Fund	A-14	422,515.00	
Other Trust Fund	A-14	435,939.66	22,319.83
		<u>3,567,111.88</u>	<u>3,139,752.00</u>
Reserve for Receivables and Other Assets		3,296,538.43	3,154,295.00
Fund Balance	A-1	787,353.45	1,296,692.11
		<u>7,651,003.76</u>	<u>7,590,739.11</u>
<u>Grant Fund</u>			
Interfund-Current Fund	A-15	161,104.84	130,961.56
Appropriated Reserves	A-17	114,530.48	502,960.02
Unappropriated Reserves	A-18	22,752.92	2,999.03
Reserve for Encumbrances	A-17	6,614.95	8,559.70
		<u>305,003.19</u>	<u>645,480.31</u>
		<u>\$ 7,956,006.95</u>	<u>\$ 8,236,219.42</u>

There were deferred school taxes on December 31, 2015 of \$5,121,567.00 and December 31, 2014 of \$5,121,567.00 (Schedule A-12).

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014**

	Ref.	2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,200,000.00	\$ 1,644,825.54
Miscellaneous Revenue Anticipated	A-2	2,133,637.07	2,756,579.65
Receipts from Delinquent Taxes	A-2	347,924.74	469,009.68
Receipts from Current Taxes	A-2	23,603,813.89	23,268,148.28
Non-Budget Revenues	A-2	349,345.94	151,822.94
Other Credits to Income:			
Animal Control Fund Statutory Excess	A-4	8,336.59	11,260.95
Unexpended Balance of Appropriation Reserves	A-9	268,376.15	331,854.77
Prior Year Open Space Share of Debt Service	A-4		93,096.00
Cancel Prior Year Accounts Payable		36,077.91	
Interfunds Returned		10,606.64	
Total Income		<u>27,958,118.93</u>	<u>28,726,597.81</u>
<u>Expenditures</u>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		3,866,300.00	3,969,025.00
Other Expenses		4,013,950.00	3,806,821.00
Deferred Charges and Statutory Expenditures		938,680.76	920,000.00
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		170,000.00	164,800.00
Other Expenses		389,887.03	940,664.12
Capital Improvements		56,000.00	56,000.00
Municipal Debt Service		773,709.63	691,283.12
Deferred Charges		340,000.00	340,000.00
	A-3	<u>10,548,527.42</u>	<u>10,888,593.24</u>
Prior Year Tax Appeals		2,728.72	-
Prior Year Senior Citizen Deductions Disallowed	A-5	5,500.00	3,252.74
Interfund Advance		28,510.09	96,582.49
County Taxes	A-10	5,575,900.95	5,504,834.23
Amount Due County for Added Omitted Taxes	A-10	80,855.41	-
Local Open Space Tax	A-11	383,859.00	378,186.00
Local District School Taxes	A-12	10,641,576.00	10,558,457.00
Total Expenditures		<u>27,267,457.59</u>	<u>27,429,905.70</u>
Statutory Excess to Fund Balance		690,661.34	1,296,692.11
Fund Balance January 1	A	1,296,692.11	1,644,826.00
Prior Year Rounding Adjustment			(0.46)
		<u>1,987,353.45</u>	<u>2,941,517.65</u>
Decreased by:			
Fund Balance Anticipated	A-1	<u>1,200,000.00</u>	<u>1,644,825.54</u>
Fund Balance December 31	A	<u>\$ 787,353.45</u>	<u>\$ 1,296,692.11</u>

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014**

	Ref.	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated		\$ 1,200,000.00	\$ -	\$ 1,200,000.00	\$ -
<u>Miscellaneous Revenues</u>					
Licenses					
Alcoholic Beverages	A-7	5,000.00	-	7,085.96	2,085.96
Fees and Permits	A-7	75,000.00	-	52,678.45	(22,321.55)
Fines and Costs					
Municipal Court	A-7	140,000.00	-	116,180.10	(23,819.90)
Interest and Costs on Taxes	A-7	60,000.00	-	102,998.36	42,998.36
Anticipated Utility Operating Surplus	A-7	350,000.00	-	350,000.00	-
Uniform Construction Code	A-7	401,460.00	-	304,763.67	(96,696.33)
State Aid:					
Energy Receipts Tax	A-7	596,512.00	-	596,512.00	-
Garden State Preservation Trust Fund	A-7	10,289.00	-	10,289.00	-
Special Items of Revenue:					
Federal and State Revenues Off-Set with Appropriations:					
Body Armor Fund	A-1	2,187.03	-	2,187.03	-
Other Special Items:					
Township of Barnegat - Tax Collector	A-7	31,000.00	-	15,000.00	(16,000.00)
Township of Barnegat - Recreation	A-7	42,000.00	-	42,308.16	308.16
Township of Barnegat - Construction Office	A-7	51,000.00	-	40,971.35	(10,028.65)
Reserve for Debt Service		300,000.00	-	300,000.00	-
Payment in Lieu of Taxes - Coastal Redevelopm	A-7	290,000.00	-	142,937.96	(147,062.04)
Reserve for Sandy Aid	A-7	49,725.03	-	49,725.03	-
Total Miscellaneous Revenues	A-1	2,404,173.06	-	2,133,637.07	(270,535.99)
Receipts from Delinquent Taxes	A-1	350,000.00	-	347,924.74	(2,075.26)
Subtotal General Revenues		3,954,173.06	-	2,481,561.81	(272,611.25)
Amount to be Raised by Taxes for Support of Municip	A-2	7,132,723.63	-	7,395,601.43	262,877.80
Total General Revenues		11,086,896.69	-	11,077,163.24	(9,733.45)
Non-Budget Revenues	A-2	-	-	349,345.94	349,345.94
		<u>\$ 11,086,896.69</u>	<u>\$ -</u>	<u>\$ 11,426,509.18</u>	<u>\$ 339,612.49</u>
	Ref.	A-3	A-3		

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,5	\$ 23,603,813.89
Allocated to:		
School, County Taxes and Municipal Open Space	A-10,11,12	<u>16,682,191.36</u>
Balance for Support of Municipal Budget		
Appropriations		6,921,622.53
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>473,978.90</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 7,395,601.43</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-5	<u>\$ 347,924.74</u>
	A-2	<u>\$ 347,924.74</u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue not Anticipated:		
Employee Reimbursements		\$ 181,550.99
Workmans Comp Reimbursements		19,389.00
Municipal Clerk		50,801.54
Refunds		23,484.64
Interest on Deposits		3,941.93
NJDMV Fines		1,433.00
Police		8,048.01
Event Fees		2,000.00
OC Joint Insurance Fund		6,250.00
Comcast Cable		33,991.21
Tax Collector		15,387.82
Licenses Other		<u>3,067.80</u>
	A-1,2	<u>\$ 349,345.94</u>

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
OPERATIONS WITHIN CAPS					
General Government Functions					
General Administration	\$ 100.00	\$ 100.00	\$ -	\$ 100.00	\$ -
Salaries and Wages	98,000.00	113,000.00	109,639.51	3,360.49	-
Other Expenses					
Mayor and Committee	16,600.00	16,600.00	16,571.52	28.48	-
Salaries and Wages	1,200.00	1,200.00	1,200.00	-	-
Other Expenses					
Municipal Clerk's Office	175,000.00	187,500.00	185,645.73	1,854.27	-
Salaries and Wages	38,000.00	44,000.00	43,977.05	22.95	-
Other Expenses					
Financial Administration	106,000.00	114,500.00	113,190.18	1,309.82	-
Salaries and Wages	36,000.00	36,000.00	35,917.62	82.38	-
Other Expenses	55,000.00	55,000.00	52,430.00	2,570.00	-
Audit Services					
Collection of Taxes	31,000.00	34,000.00	33,039.27	960.73	-
Salaries and Wages	21,500.00	21,500.00	21,424.52	75.48	-
Other Expenses					
Assessment of Taxes	48,000.00	48,000.00	41,718.79	6,281.21	-
Salaries and Wages	5,000.00	5,000.00	4,985.44	14.56	-
Other Expenses					
Legal Services and Costs	175,000.00	175,000.00	159,949.34	15,050.66	-
Other Expenses					
Special Litigation					
Engineering Services	78,000.00	78,000.00	77,206.12	793.88	-
Other Expenses					
Economic Development	2,000.00	2,000.00	365.00	1,635.00	-
Architect	5,000.00	5,000.00	5,000.00	-	-
Historical Society					

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>Land Use Administration</u>					
Planning Board					
Salaries and Wages	16,000.00	16,000.00	12,993.40	3,006.60	-
Other Expenses	5,000.00	5,000.00	4,560.87	439.13	-
Zoning Board					
Salaries and Wages	31,500.00	39,000.00	35,400.86	3,599.14	-
Other Expenses	7,000.00	7,000.00	1,689.87	5,310.13	-
Board of Adjustment					
Salaries and Wages	34,000.00	36,000.00	34,419.14	1,580.86	-
Other Expenses	3,000.00	3,000.00	2,453.61	546.39	-
<u>Code Enforcement and Administration</u>					
Other Code Enforcement Functions					
Salaries and Wages	32,000.00	32,500.00	31,772.62	727.38	-
Other Expenses	1,500.00	1,500.00	629.36	870.64	-
Municipal Housing Liaison					
Salaries and Wages	6,500.00	6,500.00	6,500.00	-	-
Other Expenses	23,000.00	23,000.00	21,838.80	1,161.20	-
<u>Insurance</u>					
Unemployment Insurance	21,000.00	21,000.00	16,710.90	4,289.10	-
General Liability Insurance	96,000.00	96,000.00	95,825.16	174.84	-
Workers Compensation Insurance	120,000.00	120,000.00	116,340.49	3,659.51	-
Employee Group Health Insurance	1,310,000.00	1,390,000.00	1,385,374.52	4,625.48	-
Health Benefits Waiver	148,000.00	148,000.00	145,548.19	2,451.81	-

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>Public Safety Functions</u>					
Police Department					
Salaries and Wages	2,250,000.00	2,097,000.00	2,078,717.40	18,282.60	-
Other Expenses	210,000.00	210,000.00	204,869.16	5,130.84	-
Police Vehicles	100.00	100.00	-	100.00	-
Police Dispatch					
Salaries and Wages	145,000.00	166,000.00	156,624.32	9,375.68	-
Other Expenses	5,000.00	5,000.00	-	5,000.00	-
Office of Emergency Management					
Salaries and Wages	5,000.00	5,000.00	-	5,000.00	-
Other Expenses	1,500.00	1,500.00	100.32	1,399.68	-
Fire Services Program					
Aid to Volunteer Fire Companies	75,000.00	75,000.00	58,264.93	16,735.07	-
First Aid Contribution	25,000.00	25,000.00	11,225.00	13,775.00	-
Municipal Prosecutor					
Other Expenses	18,000.00	18,000.00	16,500.00	1,500.00	-
<u>Public Works Functions</u>					
Streets and Roads Maintenance					
Salaries and Wages	245,000.00	234,000.00	232,781.03	1,218.97	-
Other Expenses	55,000.00	65,000.00	56,230.60	8,769.40	-
Solid Waste Collection					
Other Expenses	308,000.00	308,000.00	308,000.00	-	-
Buildings and Grounds					
Salaries and Wages	297,500.00	300,000.00	291,777.88	8,222.12	-
Other Expenses	98,000.00	98,000.00	97,928.55	71.45	-
Vehicle Maintenance					
Salaries and Wages	71,000.00	71,000.00	69,456.08	1,543.92	-
Other Expenses	93,000.00	93,000.00	84,375.17	8,624.83	-

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>Health and Human Services</u>					
Public Health Services					
Salaries and Wages	4,500.00	4,500.00	4,500.00	-	-
Other Expenses	3,000.00	3,000.00	2,483.75	516.25	-
Environmental Health Services					
Salaries and Wages	1,100.00	1,100.00	895.00	205.00	-
Other Expenses	3,100.00	3,100.00	1,332.73	1,767.27	-
Animal Control Services					
Other Expenses	19,000.00	19,000.00	16,588.00	2,412.00	-
Vital Statistics					
Salaries and Wages	3,000.00	3,000.00	3,000.00	-	-
Other Expenses	850.00	850.00	493.50	356.50	-
Public Assistance					
Other Expenses	-	-	-	-	-
<u>Park and Recreation Functions</u>					
Recreation					
Salaries and Wages	53,000.00	53,000.00	38,358.68	14,641.32	-
Other Expenses	8,000.00	8,000.00	5,337.09	2,662.91	-
Beach and Boardwalk Operations					
Salaries and Wages	13,000.00	13,000.00	11,213.20	1,786.80	-
Other Expenses	2,200.00	1,700.00	500.00	1,200.00	-
Park Maintenance					
Other Expenses	15,000.00	15,000.00	12,426.93	2,573.07	-
Celebration of Public Events					
Other Expenses	17,000.00	17,000.00	17,000.00	-	-
Municipal Court					
Salaries and Wages	130,000.00	130,000.00	126,667.36	3,332.64	-
Other Expenses	13,000.00	13,000.00	10,381.32	2,618.68	-
Public Defender					
Other Expenses	4,000.00	4,000.00	3,750.00	250.00	-

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>Uniform Construction Code - Appropriations Offset by</u>					
<u>Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Uniform Construction Code Enforcement	100,000.00	110,000.00	110,000.00	-	
Salaries and Wages	20,000.00	20,000.00	15,887.13	4,112.87	
Other Expenses					
<u>Unclassified</u>					
Utilities:					
Electricity	70,000.00	64,000.00	63,522.63	477.37	
Street Lighting	80,000.00	89,000.00	81,099.79	7,900.21	
Telephone	37,000.00	37,000.00	33,297.85	3,702.15	
Gas (Natural and Propane)	15,000.00	10,000.00	8,371.35	1,628.65	
Gas and Oil	102,000.00	99,000.00	60,124.45	38,875.55	
Telecommunications Costs	28,000.00	28,000.00	26,125.78	1,874.22	
Landfill Disposal Costs	240,000.00	231,000.00	231,000.00	-	
Accumulated Leave Compensations	500.00	500.00	-	500.00	
Greenbriar Reimbursement	250,000.00	250,000.00	-	250,000.00	
<hr/>					
Total Operations within Caps	7,880,250.00	7,880,250.00	7,365,524.86	514,725.14	-
Contingent		-		-	
<hr/>					
Total Operations within Caps including Contingent	7,880,250.00	7,880,250.00	7,365,524.86	514,725.14	-
Detail:					
Salaries and Wages	3,962,800.00	3,866,300.00	3,780,790.65	85,509.35	-
Other Expenses	3,917,450.00	4,013,950.00	3,584,734.21	429,215.79	-

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>Statutory Expenditures</u>					
Contribution to:					
Public Employee Retirement System	192,052.76	192,052.76	192,052.76	-	-
Police and Firemen's Retirement System of NJ	421,128.00	421,128.00	421,128.00	-	-
Defined Contribution Benefit Plan (DCRP)	5,500.00	5,500.00	3,390.98	2,109.02	-
Social Security System	320,000.00	320,000.00	286,185.02	33,814.98	-
Total Statutory Expenditures within Caps	938,680.76	938,680.76	902,756.76	35,924.00	-
Total Appropriations within Caps	8,818,930.76	8,818,930.76	8,268,281.62	550,649.14	-
<u>OPERATIONS EXCLUDED FROM CAPS</u>					
Recycling Tax	12,000.00	12,000.00	12,000.00	-	-
Employee Group Health Insurance	-	-	-	-	-
Police Dispatchers	170,000.00	170,000.00	170,000.00	-	-
Salaries and Wages	5,000.00	5,000.00	1,703.40	3,296.60	-
Other Expenses	57,500.00	57,500.00	-	57,500.00	-
LOSAP	12,500.00	12,500.00	-	12,500.00	-
Snow Removal	1,000.00	1,000.00	-	1,000.00	-
Stormwater Management					
Shared Service Agreements:					
Barnegat Township					
Uniform Construction	165,700.00	165,700.00	84,809.00	80,891.00	-
Recreation	42,000.00	42,000.00	42,000.00	-	-
Tax Collector	31,000.00	31,000.00	31,000.00	-	-
Construction Office	51,000.00	51,000.00	35,591.02	15,408.98	-
Lacey Township IT Service Police Department		-	-	-	-

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>Public and Private Programs Offset by Revenues</u>					
Body Armor Replacement Fund	2,187.03	2,187.03	2,187.03	-	-
Matching Funds for Grants	10,000.00	10,000.00	-	10,000.00	-
Total Operations excluded from Caps	559,887.03	559,887.03	379,290.45	180,596.58	-
Detail:					
Salaries and Wages	170,000.00	170,000.00	170,000.00	-	-
Other Expenses	389,887.03	389,887.03	209,290.45	180,596.58	-
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-
Purchase of Safety Equipment	6,000.00	6,000.00	-	6,000.00	-
Total Capital Improvements excluded from Caps	56,000.00	56,000.00	50,000.00	6,000.00	-
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>					
Payment of Bond Principal	426,000.00	426,000.00	415,925.00	-	10,075.00
Payment of Bond Anticipation Note and Capital Notes	128,900.00	128,900.00	108,900.00	-	20,000.00
Interest on Bonds	200,000.00	200,000.00	196,532.42	-	3,467.58
Interest on Notes	53,200.00	53,200.00	40,248.06	-	12,951.94
Green Trust Loan Program			-	-	-
Loan Payments for Principal and Interest	25,000.00	25,000.00	12,104.15	-	12,895.85
Total Municipal Debt Service excluded from Caps	833,100.00	833,100.00	773,709.63	-	59,390.37

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>DEFERRED CHARGES EXCLUDED FROM CAPS</u>					
Emergency Authorizations					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	340,000.00	340,000.00	340,000.00	-	-
Total General Appropriations excluded from Caps	<u>1,788,987.03</u>	<u>1,788,987.03</u>	<u>1,543,000.08</u>	<u>186,596.58</u>	<u>59,390.37</u>
Subtotal General Appropriations	10,607,917.79	10,607,917.79	9,811,281.70	737,245.72	59,390.37
Reserve for Uncollected Taxes	473,978.90	473,978.90	473,978.90	-	-
Total General Appropriations	<u>\$ 11,081,896.69</u>	<u>\$ 11,081,896.69</u>	<u>\$ 10,285,260.60</u>	<u>\$ 737,245.72</u>	<u>\$ 59,390.37</u>
Ref.		A-1,3	A-3	A	A-1
Budget		<u>\$ 11,081,896.69</u>			
Reserve for:		<u>\$ 11,081,896.69</u>			
Encumbrances	A		\$ 118,994.80		
Special Emergency Spending Reserves			340,000.00		
Uncollected Taxes	A-2		473,978.90		
Disbursements	A-4		9,350,099.87		
Interfund - Grant Fund	A-15		<u>2,187.03</u>		
			<u>\$ 10,285,260.60</u>		

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 29,759.93	\$ 19,969.00
Change Fund		50.00	50.00
		<u>29,809.93</u>	<u>20,019.00</u>
 <u>Other Trust</u>			
Cash	B-1	2,835,689.83	3,192,185.13
Interfund - Current Fund	B-4	435,939.66	22,319.83
		<u>3,271,629.49</u>	<u>3,214,504.96</u>
 <u>Length of Service Awards Program Fund</u> <u>(LOSAP) - Unaudited</u>			
Funds Held by Trustee	B-6	360,481.75	365,743.53
		<u>\$ 3,661,921.17</u>	<u>\$ 3,600,267.49</u>
 <u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Due State of New Jersey	B-2	\$ -	\$ -
Interfund - Current Fund		8,336.59	-
Reserve for Animal Control Fund Expenditures	B-3	21,473.34	20,019.00
		<u>29,809.93</u>	<u>20,019.00</u>
 <u>Other Trust</u>			
Miscellaneous Reserves	B-5	3,001,294.36	2,945,317.96
Interfund - General Capital	B-5	269,187.00	269,187.00
Interfund - Utility Operating		1,148.13	-
		<u>3,271,629.49</u>	<u>3,214,504.96</u>
 <u>Length of Service Awards Program Fund</u> <u>(LOSAP) - Unaudited</u>			
Reserve for Length of Service Awards Program (LOSAP)	B-6	360,481.75	365,743.53
		<u>\$ 3,661,921.17</u>	<u>\$ 3,600,267.49</u>

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	C-2	\$ 76,982.40	\$ 826,481.65
Deferred Charges to Future Taxation:			
Funded	C-4	6,810,335.33	7,335,890.36
Unfunded	C-5	5,865,616.00	5,460,566.00
Green Acres Receivable		315,321.09	315,321.09
Grants Receivable		547,000.00	
Interfunds:			
Open Space Trust	C-3	269,187.00	269,187.00
		<u>\$13,884,441.82</u>	<u>\$14,207,446.10</u>
<u>Liabilities, Reserves and Fund Balance:</u>			
Capital Improvement Fund	C-3	\$ 38,327.55	\$ 15,377.55
Improvement Authorizations:			
Funded	C-6	804,497.22	157,126.37
Unfunded	C-6	999,033.21	2,164,063.61
Serial Bonds	C-7	6,208,625.00	6,724,550.00
Green Trust Loan Payable	C-8	601,710.33	611,340.36
Bond Anticipation Notes	C-9	4,728,116.00	3,358,816.00
Reserve for:			
Reserve for Encumbrances	C-6	76,165.13	470,236.64
Developer Contribution		63,497.00	63,497.00
Debt Service		310,506.00	586,841.00
Preliminary Expense:	C-3	24,686.70	24,686.70
Interfund - Current Fund	C-3	-	1,633.19
Fund Balance	C-1	29,277.68	29,277.68
		<u>\$13,884,441.82</u>	<u>\$14,207,446.10</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$1,137,500.00 and \$2,101,750.00, respectively (Schedule C-10).

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Ref.</u>	
Balance December 31, 2015 and 2014	C	<u>\$ 29,277.68</u>

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Cash	D-5	\$ 838,819.38	\$ 1,557,425.84
Cash - Change Fund		300.00	300.00
Interfunds:			
Water-Sewer Utility Capital Fund	D-11	555,960.13	305,610.06
Trust Fund		1,148.13	
		<u>1,396,227.64</u>	<u>1,863,335.90</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	993,145.65	987,927.88
		<u>993,145.65</u>	<u>987,927.88</u>
Total Operating Fund		<u>2,389,373.29</u>	<u>2,851,263.78</u>
Capital Fund:			
Cash	D-5	1,753,720.08	1,507,108.89
Loans Receivable	D-18	4,981,715.00	1,671,540.00
Fixed Capital	D-8	35,886,476.91	35,886,476.91
Fixed Capital Authorized and Uncompleted	D-9	15,225,000.00	11,025,000.00
Interfunds:			
Current Fund	D-12	422,515.00	
Total Capital Fund		<u>58,269,426.99</u>	<u>50,090,125.80</u>
		<u>\$ 60,658,800.28</u>	<u>\$ 52,941,389.58</u>

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Appropriation Reserves	D-4,10	\$ 277,120.39	\$ 238,660.37
Accounts Payable		17,004.67	12,489.72
Reserve for:			
Encumbrances	D-4,10	82,669.23	29,586.78
Utility Overpayments	D-5,7	9,845.45	5,507.96
Interfunds:			
Current Fund			
Accrued Interest on Bonds, Loans and Notes	D-11	105,027.80	101,977.00
		<u>491,667.54</u>	<u>388,221.83</u>
Reserve for Receivables		993,145.65	987,927.88
Operating Fund Balance	D-1	904,560.10	1,475,114.07
Total Operating Fund		<u>2,389,373.29</u>	<u>2,851,263.78</u>
Capital Fund:			
Interfunds:			
Water-Sewer Utility Operating Fund	D-12	555,960.13	305,610.06
Improvement Authorizations:			
Funded	D-13	800,607.14	850,332.31
Unfunded	D-13	9,739,667.08	9,013,094.68
Reserve for Encumbrances		69,744.99	43,892.24
Reserve for Amortization	D-14	28,898,627.23	28,090,373.98
Reserve for Deferred Amortization	D-15	3,557,115.27	1,108,189.41
Serial Bonds	D-16	1,926,375.00	2,510,450.00
Bond Anticipation Notes	D-17	1,462,000.00	1,057,000.00
NJ Environmental Infrastructure Trust Loan	D-19	9,728,091.41	5,313,446.52
Capital Improvement Fund	D-6	558,850.03	558,850.03
Reserve for Bond Covenants		872,261.64	888,759.50
Reserve for Preliminary Expenditures		95,809.44	95,809.44
Fund Balance	D-2	4,317.63	254,317.63
Total Capital Fund		<u>58,269,426.99</u>	<u>50,090,125.80</u>
		<u>\$ 60,658,800.28</u>	<u>\$ 52,941,389.58</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$5,955,073.00 and \$8,832,017.00, respectively (Schedule D-20).

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	D-3	\$ 1,039,646.24	\$ 918,000.00
Water-Sewer Rents	D-3	3,276,659.13	3,340,805.15
Miscellaneous Revenue Anticipated	D-3	410,175.07	895,712.85
Capital Fund Balance Anticipated		250,000.00	300,000.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	222,101.61	168,740.34
Cancellation of Accrued Interest			
Total Income		<u>5,198,582.05</u>	<u>5,623,258.34</u>
<u>Expenditures</u>			
Operating	D-4	2,947,855.00	2,830,855.00
Capital Improvements	D-4	70,000.00	70,000.00
Debt Service	D-4	1,213,136.54	1,019,617.28
Deferred Charges and Statutory Expenditures	D-4	148,498.24	154,920.00
Surplus General Budget	D-4	350,000.00	300,000.00
Total Expenditures		<u>4,729,489.78</u>	<u>4,375,392.28</u>
Excess in Revenue		469,092.27	1,247,866.06
Fund Balance January 1	D	<u>1,475,114.07</u>	<u>1,145,248.01</u>
		<u>1,944,206.34</u>	<u>2,393,114.07</u>
Decreased by:			
Utilization by Utility Operating Budget	D-1	<u>1,039,646.24</u>	<u>918,000.00</u>
Fund Balance December 31	D	<u>\$ 904,560.10</u>	<u>\$ 1,475,114.07</u>

**STATEMENT OF WATER-SEWER UTILITY CAPITAL FUND BALANCE
REGULATORY BASIS**

	<u>Ref.</u>		
Balance December 31, 2014	D		\$ 254,317.63
Decreased by:			
Anticipated	D-3	<u>\$ 250,000.00</u>	<u>250,000.00</u>
Balance December 31, 2015	D		<u>\$ 4,317.63</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated		\$ 1,039,646.24	\$ 1,039,646.24	\$ -
Other Anticipated Revenues:				
User Fees	D-7	3,050,955.00	3,276,659.13	225,704.13
Miscellaneous	D-5	400,000.00	410,175.07	10,175.07
Water-Sewer Capital Fund Balance		250,000.00	250,000.00	-
		<u>\$ 4,740,601.24</u>	<u>\$ 4,976,480.44</u>	<u>\$ 235,879.20</u>

Analysis of Other Anticipated Revenues

Reserve for Connection Fees	D	\$ 131,563.44
Miscellaneous	D-5	278,611.63
Consumer Accounts Receivable	D-7	3,276,659.13
Interfunds	D-12	250,000.00
		<u>\$ 3,936,834.20</u>

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER OPERATING UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriated		Expended		Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 880,000.00	\$ 780,000.00	\$ 709,451.34	\$ 70,548.66	
Other Expenses	1,032,855.00	1,108,855.00	950,413.44	158,441.56	
State of New Jersey Water Tax	10,000.00	10,000.00	-	10,000.00	
Ocean County Utilities Authority	1,025,000.00	1,049,000.00	1,048,140.00	860.00	
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	-	-	10,000.00
Capital Outlay	70,000.00	70,000.00	64,340.50	5,659.50	
Debt Service:					
Payment of Bond Principal	585,000.00	585,000.00	584,075.00	-	925.00
Interest on Bonds	120,600.00	120,600.00	120,600.00	-	-
Payment of BAN Principal & Interest	34,648.00	34,648.00	34,648.00	-	-
NJEIT Principal	372,000.00	372,000.00	371,813.54	-	186.46
NJEIT Interest	102,000.00	102,000.00	102,000.00	-	-
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	63,498.24	63,498.24	63,498.24	-	-
Social Security System	73,000.00	73,000.00	50,246.45	22,753.55	
Unemployment Compensation Insurance	12,000.00	12,000.00	3,142.88	8,857.12	
Surplus (General Budget)	350,000.00	350,000.00	350,000.00	-	-
	<u>\$ 4,740,601.24</u>	<u>\$ 4,740,601.24</u>	<u>\$ 4,452,369.39</u>	<u>\$ 277,120.39</u>	<u>\$ 11,111.46</u>

Reserve for Encumbrances	\$ 82,669.23
Disbursements	4,366,649.36
Accrued Interest on Bonds, Loans and Notes	<u>3,050.80</u>
	<u>\$ 4,452,369.39</u>

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF FIXED ASSETS
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Land and Land Improvements	\$ 10,198,375.00	\$ 10,198,375.00
Buildings and Improvements	1,097,590.00	1,097,590.00
Furniture, Fixtures and Equipment	5,071,070.20	4,162,016.12
	<u>\$ 16,367,035.20</u>	<u>\$ 15,457,981.12</u>
 <u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 16,367,035.20</u>	<u>\$ 15,457,981.12</u>

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

**TOWNSHIP OF OCEAN
COUNTY OF OCEAN, NEW JERSEY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The Governmental Accounting Standards Board ("GASB") Statement 14, as amended by GASB Statements 39 and 61, established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The Township had no component units in 2015.

B. Descriptions of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

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

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

Animal Control Trust Fund - animal control license revenues and expenditures.

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

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Funds (continued)

Water-Sewer Utility Operating Fund - revenues and expenditures necessary to operate a municipally-owned water supply and sewer collection systems from user fees.

Water-Sewer Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water and sewer capital facilities, other than those acquired through the Water-Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

Payroll Fund - receipt and disbursement for payroll costs and payroll taxes.

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

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

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

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

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

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Deferred Charges - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2015 is set forth in Note 9.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water-Sewer Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2015 is set forth in Note 4.

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

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

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

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

General Fixed Assets - In accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Township has developed a fixed assets accounting and reporting system.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

General Fixed Assets (continued)

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

GAAP does not require utilization of a general fixed asset account group.

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

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

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

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

Water-Sewer Utility Fixed Assets - Accounting for water-sewer utility fund “fixed capital” remains unchanged.

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

Property and equipment of the Water-Sewer Utility Fund are not depreciated. Principal payments for Water-Sewer Utility debt are recorded as expenditures in the Water-Sewer Utility Statement of Operations.

During 2015 and 2014 the following changes occurred in the fixed assets of the Township:

	<u>Balance</u> <u>Jan. 1, 2015</u>	<u>Increase</u> <u>(Net)</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
General Fixed Assets Account Group:			
Land and Buildings	\$ 11,295,965	\$	\$ 11,295,965
Machinery and Equipment	4,162,016	909,054	5,071,070
Water-Sewer Utility Fund:			
Fixed Capital	35,886,477		35,886,477
Fixed Capital Authorized and Uncompleted	<u>11,025,000</u>	<u>4,230,000</u>	<u>15,255,000</u>
	\$ <u>62,369,458</u>	\$ <u>5,139,054</u>	\$ <u>67,508,512</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Utility Fixed Assets (continued)

	Balance	Increase	Balance
	<u>Jan. 1, 2014</u>	<u>(Net)</u>	<u>Dec. 31, 2014</u>
General Fixed Assets Account Group:			
Land and Buildings	\$ 11,295,965	\$	\$ 11,295,965
Machinery and Equipment	3,599,818	562,198	4,162,016
Water-Sewer Utility Fund:			
Fixed Capital	28,439,077	7,447,400	35,886,477
Fixed Capital Authorized and Uncompleted	<u>11,447,400</u>	<u>(422,400)</u>	<u>11,025,000</u>
	\$ <u>54,782,260</u>	\$ <u>7,587,198</u>	\$ <u>62,369,458</u>

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Township presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

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

F. Impact of Recently Issued Accounting Principles

For the year ended December 31, 2015, the Township implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statement requires the Township to disclose its portion of the collective net pension liability of the New Jersey Public Employees’ Retirement System (PERS) and the New Jersey Police Firemen’s Retirement System (PFRS).

G. Subsequent Events

The Township has evaluated subsequent events through June 28, 2016, the date the financial statements were made available to be issued.

NOTE 2. CASH AND CASH EQUIVALENTS

A. Deposits

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

A. Deposits (continued)

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

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

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

At year-end the carrying amount of the Township's deposits was \$9,249,787 and the bank balance amount was \$10,806,161. Of this amount \$750,000 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$8,509,541. An amount of \$1,546,620 was on deposit in the name of various developers for escrow and is insured by federal depository insurance or uninsured depending on the deposits of the individual developer in the depository.

B. Investments

- a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Township:
- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
 - (2) Government money market mutual funds.
 - (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
 - (4) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
 - (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
 - (6) Municipal investment pools.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

B. Investments (continued)

- a. (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- b. Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.
- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute up to one twentieth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

C. Cash Management Plan

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

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

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

D. Credit Risk Categories

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

<u>Depository Account</u>	Bank Balance	
	2015	2014
Insured:		
FDIC	\$ 750,000	\$ 750,000
GUDPA	8,509,541	8,517,963
Uninsured	<u>1,546,620</u>	<u>1,646,855</u>
	<u>\$ 10,806,161</u>	<u>\$ 10,914,818</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

NOTE 3. DEBT

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

A. Long-Term Debt

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (continued)

A. Long-Term Debt (continued)

General Capital Fund

4.00% General Improvement Refunding Bonds issued for \$5,280,000 on January 10, 2006, installment maturities to January 1, 2026	\$ 3,120,000
2.00% to 3.375% General Improvement Refunding Bonds issued for \$4,280,000 on August 13, 2010, installment maturities to December 1, 2025	<u>3,088,625</u>
	\$ <u>6,208,625</u>

The bonds mature serially in installments to the year 2026. Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 264,750	\$ 224,870
2017	543,575	207,651
2018	562,400	214,051
2019	581,225	189,812
2020	604,463	169,939
2021-2025	3,302,212	409,516
2025-2026	<u>350,000</u>	<u>7,175</u>
	\$ <u>6,208,625</u>	\$ <u>1,423,014</u>

Green Trust Loan Programs

The Township has low interest loans (2%) from the State Department of Environmental Protection and Energy under the provisions of the New Jersey Green Acres Bond Act of 1983 and the Green Acres Bond Act of 1978 as follows:

2% \$148,000 Loan for Recreation Area Development Phase I finalized June 2010. Loan payments are due March and September until March 2025	\$ <u>601,710*</u>
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Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 9,823	\$ 1,985
2017	10,021	1,788
2018	10,223	1,587
2019	10,428	1,381
2020	10,637	1,171
2021-2025	<u>50,578</u>	<u>2,562</u>
	\$ <u>101,708*</u>	\$ <u>10,474*</u>

* = The totals above are taken from the original amortization schedule of the loans. As of the date of this report, no amortization schedule has been provided for the \$500,000 principal-only loan.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (continued)

A. Long-Term Debt (continued)

Water-Sewer Utility Capital Fund

6.00% Utility Refunding Bonds issued for \$5,235,000 on October 28, 1993, installment maturities to August 1, 2017	\$ 151,500
6.00% Utility Refunding Bonds issued for \$5,235,000 on October 28, 1993, installment maturities to August 1, 2017	1,363,500
2.00 to 3.375% Utility Bonds Issued for \$570,000 on August 13, 2010, installment maturities to August 1, 2025	<u>411,375</u>
	\$ <u>1,926,375</u>

The bonds mature serially in installments to the year 2026. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 770,250	\$ 81,346
2017	816,425	35,015
2018	37,600	10,704
2019	38,775	9,576
2020	40,538	8,413
2021-2025	<u>222,787</u>	<u>22,542</u>
	\$ <u>1,926,375</u>	\$ <u>167,596</u>

Loans

New Jersey Environmental Infrastructure Trust

On December 2, 2010 the Township received two 2010 NJ Environmental Infrastructure Trust Loans. The first loan consists of two agreements to be repaid over twenty years, a trust agreement of \$160,000 at a fixed interest rate of 5% and an interest free fund agreement of \$167,500. The second loan consists of two agreements to be repaid over twenty years, a trust agreement of \$555,000 at a fixed interest rate of 5% and an interest free fund agreement of \$298,323. The loan proceeds were to be utilized for various clean and drinking water infrastructure projects.

On May 3, 2012 the Township received a 2012 NJ Environmental Infrastructure Trust Loan. The loan consists of two agreements to be repaid over twenty years, a trust agreement of \$310,000 at interest rates ranging from 2.00% to 5.00% and an interest free fund agreement of \$337,375. The loan proceeds were to be utilized for various clean water infrastructure projects.

On May 17, 2012 the Township received two 2012 NJ Environmental Infrastructure Trust Loans. The first loan consists of two agreements to be repaid over twenty years, a trust agreement of \$153,224 at interest rates ranging from 0.22% to 3.19% and an interest free fund agreement of \$150,220. The second loan consists of two agreements to be repaid over twenty years, a trust agreement of \$255,234 at interest rates ranging from 0.22% to 3.19% and an interest free fund agreement of \$736,249. The loan proceeds were to be utilized for various clean and drinking water infrastructure projects.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (continued)

A. Long-Term Debt (continued)

On May 22, 2014 the Township received two 2014 NJ Environmental Infrastructure Trust Loans. The first loan consists of two agreements to be repaid over twenty years, a trust agreement of \$240,000 at interest rates ranging from 3.00% to 5.00% and an interest free fund agreement of \$740,000. The second loan consists of two agreements to be repaid over twenty years, a trust agreement of \$285,000 at interest rates ranging from 3.00% to 5.00% and an interest free fund agreement of \$300,928. The loan proceeds were to be utilized for various clean and drinking water infrastructure projects.

On May 21, 2015 the Township received two 2015 NJ Environmental Infrastructure Trust Loans. The first loan consists of two agreements to be repaid over twenty years, a trust agreement of \$95,000 at interest rates ranging from 3.00% to 5.00% and an interest free fund agreement of \$292,386. The second loan consists of two agreements to be repaid over twenty years, a trust agreement of \$145,000 at interest rates ranging from 3.00% to 5.00% and an interest free fund agreement of \$433,143. The loan proceeds were to be utilized for various clean and drinking water infrastructure projects.

On May 21, 2015 the Township received a 2015 NJ Environmental Infrastructure Trust Loan. The loan consists of two agreements to be repaid over twenty years, a trust agreement of \$90,000 at interest rates ranging from 3.00% to 5.00% and an interest free fund agreement of \$91,545. The loan proceeds were to be utilized for various clean water infrastructure projects.

On May 28, 2015 the Township received two 2014 NJ Environmental Infrastructure Trust Loans. The first loan consists of two agreements to be repaid over twenty years, a trust agreement of \$540,000 at interest rates ranging from 3.00% to 5.00% and an interest free fund agreement of \$1,744,862.

On May 28, 2015 the Township received two 2015 NJ Environmental Infrastructure Trust Loans. The first loan consists of two agreements to be repaid over twenty years, a trust agreement of \$1,089,786 at interest rates ranging from 3.00% to 5.00% and an interest free fund agreement of \$970,000.

On May 28, 2015 the Township received a 2015 NJ Environmental Infrastructure Trust Loan. The loan consists of two agreements to be repaid over twenty years, a trust agreement of \$135,000 at interest rates ranging from 3.00% to 5.00% and an interest free fund agreement of \$316,006. The loan proceeds were to be utilized for various clean water infrastructure projects.

Schedule of annual debt service for principal and interest for the New Jersey Environmental Trust Loan during the next five years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 485,308	\$ 153,354
2017	500,422	147,490
2018	500,577	140,535
2019	510,778	133,534
2020	516,027	126,035
2021-2025	2,710,613	503,445
2026-2030	2,938,857	267,777
2031-2034	<u>1,565,509</u>	<u>56,195</u>
	\$ <u>9,728,091</u>	\$ <u>1,528,365</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (continued)

B. Short-Term Debt

On December 31, 2015, the Township's outstanding bond anticipation notes were as follows:

General Capital Fund

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
07-17	Road and Drainage Improvements	\$ 258,116	1.250%
07-21	Dredging and Stream Cleaning of Lake	354,300	1.250%
11-12	Various Capital Improvements	936,500	1.250%
12-10	Storm Water Improvements	535,350	1.250%
12-15	Various Capital Improvements	570,000	1.250%
13-26	Various Capital Improvements	137,750	1.250%
13-27	Various Capital Improvements	457,900	1.250%
14-09	Fire Pumper Apparatus	427,500	0.590%
14-10	Bryant Road Gazebo	536,750	0.590%
15-11	Various Capital Improvements	<u>513,950</u>	0.780%
		<u>\$ 4,728,116</u>	

Water-Sewer Utility Capital Fund

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
08-25	Acquisition of Land and Related Expenses	\$ 537,000	1.25%
13-05	Various Improvements to the Sewer System	500,000	1.25%
14-11	Various Improvements to the Sewer System	<u>425,000</u>	0.59%
		<u>\$ 1,462,000</u>	

C. Bonds and Notes Authorized but not Issued

At December 31 the Township had authorized but not issued bonds and notes as follows:

	<u>2015</u>	<u>2014</u>
General Capital Fund	\$ 1,137,500	\$ 2,101,750
Water-Sewer Utility Capital Fund	5,955,073	8,832,017

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (continued)

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2015 was 1.84%. The Township's remaining borrowing power is 1.66%.

3.5% of Equalized Valuation Basis (Municipal)	\$ 46,376,255
Net Debt	24,343,805
 Remaining Borrowing Power	 \$ 22,032,450

E. Summary of Long Term Debt

During 2015 and 2014 the following changes occurred in the outstanding debt of the Township:

	Balance Jan. 1, 2015	Issued	Retired	Balance Dec. 31, 2015	Due Within One Year
Compensated Absences	\$ 584,468	\$ 50,206	\$ -	\$ 634,674	\$ -
General Capital Fund:					
Serial Bonds	6,724,550	-	515,925	6,208,625	264,750
Bond Anticipation Notes	3,358,816	1,478,200	108,900	4,728,116	4,728,116
Loans Payable	611,340	-	9,630	601,710	9,823
Water- Sewer Utility Fund:					
Serial Bonds	2,510,450	-	584,075	1,926,375	770,250
Bond Anticipation Notes	1,057,000	425,000	20,000	1,462,000	1,462,000
Loans Payable	5,313,447	1,147,074	765,245	5,695,276	180,670
	\$ 20,160,071	\$ 3,100,480	\$ 2,003,775	\$ 21,256,776	\$ 7,415,609
	Balance Jan. 1, 2014	Issued	Retired	Balance Dec. 31, 2014	Due Within One Year
Compensated Absences	\$ 500,739	\$ 83,729	\$ -	\$ 584,468	\$ -
General Capital Fund:					
Serial Bonds	7,221,650		497,100	6,724,550	515,925
Bond Anticipation Notes	3,048,537	595,650	285,371	3,358,816	3,358,816
Loans Payable	620,781		9,441	611,340	9,630
Water- Sewer Utility Fund:					
Serial Bonds	3,063,350		552,900	2,510,450	584,075
Bond Anticipation Notes	1,107,000	-	50,000	1,057,000	1,057,000
Loans Payable	4,931,618	1,147,074	765,245	5,313,447	180,670
	\$ 20,493,675	\$ 1,826,453	\$ 2,160,057	\$ 20,160,071	\$ 5,706,116

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 4. ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation and sick pay. The Township permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$634,674 and \$500,468 at December 31, 2015 and 2014, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5. FUND BALANCES APPROPRIATED

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the municipal budget for the year ending December 31 of the succeeding years are as follows:

	<u>2015</u>	<u>2014</u>
Current Fund	\$ 700,000.00	\$ 1,200,000.00
Water-Sewer Utility Fund	\$ 900,000.00	\$ 1,036,946.24

*Not available as of the date of this report

NOTE 6. TAXES COLLECTED IN ADVANCE

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

	<u>Balance December 31</u>	
	<u>2015</u>	<u>2014</u>
Prepaid Taxes	\$ 279,666	\$ 267,432

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

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

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

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

NOTE 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the balance sheet of the various funds:

	Balance Dec. 31, 2015	2016 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Authorizations: (N.J.S. 40A:4-55):			
2012 Superstorm Sandy	\$ 600,000	\$ 300,000	\$ 300,000
2011 Revalutaion	40,000	40,000	
	\$ 640,000	\$ 340,000	\$ 300,000

The Current Fund has the following special emergency notes outstanding at December 31, 2015:

Purpose	Interest Rate	Maturity	Balance Dec. 31, 2015
2012 Superstorm Sandy	0.7400%	12/19/2016	\$ 470,000

The notes are required to be repaid at a minimum amount of 20% of the original special emergency per year for a maximum of five years.

NOTE 10. PENSION OBLIGATIONS

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$262,750 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$6,860,524. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Township's proportion measured as of June 30, 2015, was .06161%, which was a decrease of .00046% from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	6,860,524	5,636,791
Township's portion of the Plan's total net pension Liability	0.03056%	0.03011%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$248,195.

Actuarial Assumptions – The collective 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. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Health 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.

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, 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 Expected 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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 Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	<u>(3.90%)</u>	<u>(4.90%)</u>	<u>(5.90%)</u>
Township's proportionate share of the net pension liability	\$ 8,526,792	\$ 6,860,524	\$ 5,463,537

Pension Plan Fiduciary Net Position

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

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (continued)

B. Police and Firemen’s Retirement System (PFRS) (continued)

year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$421,128 for 2015.

The employee contributions for PFRS are 10.00% of employees’ annual compensation, as defined.

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Net Pension Liability and Pension Expense - At December 31, 2015, the Township’s proportionate share of the PFRS net pension liability is valued to be \$10,262,009. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township’s proportion of the net pension liability was based on the Township’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2015. The Township’s proportion measured as of June 30, 2015, was .061610%, which was a decrease of .00678% from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Acturial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	\$ 10,262,009	\$ 6,897,036
Township's portion of the Plan's total net pension Liability	0.061610%	0.054829%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$500,794.

Additionally, the State’s proportionate share of the net pension liability attributable to the Township is \$899,944 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .061610%, which was a decrease of .00678% from its proportion measured as of June 30, 2014, which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 10,262,009
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>899,944</u>
Total Net Pension Liability	<u>\$ 11,161,953</u>

For the year ended December 31, 2015, the Township's total allocated pension expense was \$500,794.

Actuarial Assumptions – The collective 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. This actuarial valuation used the following actuarial assumptions:

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates 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 Health 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.

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.

Long-Term Expected 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

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 real 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>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of 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 Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 14,714,997	\$ 11,161,952	\$ 8,264,762

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1* et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Township employees enrolled in the DCRP for the years ended December 31, 2015, 2014 and 2013.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

NOTE 11. 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 is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Township pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Township has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 12. CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2015, the Township estimates that no material liabilities will result from such audits.

Major Tax Assessments

There were no taxpayers in 2015 with assessments in excess of 1% of the total assessed valuation.

Pending Litigation

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

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

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

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 169,441	\$ 858,455
Grant Fund	-	161,015
Animal Control Fund	-	8,337
Trust Fund	435,940	270,335
General Capital Fund	269,187	1,633
Water-Sewer Utility Operating Fund	557,108	-
Water-Sewer Utility Capital Fund	<u>422,515</u>	<u>555,960</u>
	<u>\$1,854,191</u>	<u>\$1,854,191</u>

The purpose of interfunds is for short-term borrowing.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 14. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes, utility rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	General Capital Fund	Utility Operating Fund	Total
Federal & State Aid	\$ -	\$ 305,003.19	\$ 862,321.09	\$ -	\$ 1,167,324.28
Taxes	963,188.10	-	-	-	963,188.10
Utility Rents	-	-	-	993,145.65	993,145.65
Other	8,108.90	-	-	-	8,108.90
Total	\$ 971,297.00	\$ 305,003.19	\$ 862,321.09	\$ 993,145.65	\$ 3,131,766.93

NOTE 15. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer firefighters and volunteer members of emergency service squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150 per year of active emergency service, commencing with the year 2002.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2002.

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

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

Determination as to Eligibility - Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Committee for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Township Committee as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 15. LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) – UNAUDITED (continued)

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

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

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

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

NOTE 16. OTHER POST-RETIREMENT BENEFITS

A. Plan Description

The Township provides a single-employee defined benefits healthcare plan administered by Connor Strong Insurance. The Township provides, pursuant to Committee action and as provided by resolution, certain group healthcare and dental benefits for active and certain retired employees and their covered dependents, as well as Medicare Part B reimbursement (for those retirees that receive fully-subsidized benefits). Active employees who retire from the Township and meet the eligibility criteria are eligible to receive these benefits from the Township at no cost.

The Township implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in 2009.

B Funding Policy

The Township’s funding policy is pay-as-you-go.

C Annual OPEB Cost and Net OPEB Obligation

The Township’s annual Other Post-Employment Benefit (“OPEB”) cost (expense) is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The following table shows the components of the Township’s annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Township’s net OPEB obligation:

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 16. OTHER POST-RETIREMENT BENEFITS (continued)

C Annual OPEB Cost and Net OPEB Obligation (continued)

December 31, 2015 Net OPEB Obligations	\$ 319,452
December 31, 2014 Net OPEB Obligations	319,452

The Township's annual OPEB Cost Summary is as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/15	\$ 540,284	40.9%	\$ 319,452
12/31/14	540,284	40.9%	319,452

D. Funded Status and Funding Progress

The funded status of the Plan was as follows:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability - Projected Unit Credit</u>	<u>Unfunded Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as % of Covered Payroll</u>
12/31/15	\$ -0-	\$ 5,041,768	\$ 5,041,768	0%	\$ 4,657,411	108.25%
12/31/14	-0-	\$ 5,680,672	\$ 5,680,672	0%	\$ 5,045,448	112.59%

E. Actuarial Methods and Assumptions

The Township provides the benefits described above to fewer than 100 participants and meets all other requirements allowing it to utilize the alternative measurement as is described in GASB Statement No. 45. The Township has elected to utilize the alternative measurement method. Some of the assumptions utilized in the computations are as follows:

Age Adjustment Factor	1.55
Discount Rate	0.5%
Payroll Growth Rate	2.0%
Mortality Table	RP2000 Mortality Table for Males and Females Projected 10 Year
Turnover	Standard Turnover Assumptions
Amortization Period	30 Years
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll Amortization
Average Retirement Age	60
Participant Percentage	100%

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

NOTE 16. OTHER POST-RETIREMENT BENEFITS (continued)

F. Other Post Employment Benefit Costs and Obligations

The annual non-pension post employment benefit (“OPEB”) cost is actuarially determined in accordance with the parameters of the alternative measurement method. It represents the actuarially determined level of funding that, if paid on an ongoing basis, is projected to cover annual benefit costs and the 30 year amortization of the difference between the actuarial accrued liability and amounts previously recognized. The Township has not recognized OPEB costs in the past.

The following are components of the 2015 annual OPEB cost:

Normal Cost	\$ 405,149
Amortization Cost	<u>135,135</u>
December 31, 2015 OPEB Obligations	\$ <u>540,284</u>

NOTE 17. SUBSEQUENT EVENTS

On February 25, 2016 the Township Council issued \$6,485,474 in General Obligation Bond Anticipation Notes. \$5,566,80 in General Obligation Bond Anticipation Notes for the Capital Fund, and \$918,670 in General Obligation Bond Anticipation Notes for the Utility Fund.

On February 11, 2016 Ordinance 2016-1 2nd Reading regarding the increase in costs of meter fees, and how the Township will cover those costs, by passing them along to the citizens.

SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 3,455,569.11
Increased by Receipts:		
Taxes Receivable	\$ 23,515,901.81	
Revenue Accounts Receivable	2,081,725.01	
Miscellaneous Revenue not Anticipated	349,345.94	
Prepaid Taxes	279,665.81	
Tax Overpayments	8,798.95	
FEMA Reimbursement	142,998.41	
Garden State Trust Fund	8,174.00	
Special Emergency Note Payable	470,000.00	
State of New Jersey (Ch. 20, P.L. 1971)	169,575.00	
State of New Jersey Fees	2,224.00	
Payroll Taxes Payable	5,566.21	
Interfunds:		
Grant Fund	171,994.72	
Other Funds	1,389,647.56	
	28,595,617.42	28,595,617.42
		32,051,186.53
Decreased by Disbursements:		
Special Emergency Note Payable	900,000.00	
Payroll Tax Payable	8,265.73	
Tax Overpayments Refunded	69,391.91	
2015 Budget Appropriations	9,350,099.87	
Appropriation Reserves	573,600.79	
County Taxes Payable	5,701,330.93	
Local School District Tax	10,559,506.00	
Local Open Space Tax	383,859.00	
Various Reserves	55,508.46	
State of New Jersey Fees	1,252.00	
Interfunds:		
Other Funds	540,251.12	
Grant Fund	194,530.39	
	28,337,596.20	28,337,596.20
Balance December 31, 2014		\$ 3,713,590.33

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Year	Balance		Added		Collections		Due from		Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2015
	Dec. 31, 2014	2015 Levy	Amounts	2014	2015	2014	State				
2009	\$ 147.65										\$ 147.65
2010	148.61										148.61
2011	188.35										188.35
2013	6,707.06				250.84						6,456.22
2014	363,990.79		7,000.00		347,673.90				6,567.67	6,631.96	10,117.26
	371,182.46		7,000.00		347,924.74				6,567.67	6,631.96	17,058.09
2015		23,734,059.58	345,524.06	267,432.03	23,167,977.07	168,404.79			33,159.52	23,533.05	419,077.18
	\$ 371,182.46	\$ 23,734,059.58	\$ 352,524.06	\$ 267,432.03	\$ 23,515,901.81	\$ 168,404.79			\$ 39,727.19	\$ 30,165.01	\$ 436,135.27

Analysis of 2015 Property Tax Yield and Tax Levy

Tax Yield:	
General Purpose Tax	\$ 23,734,059.58
Added and Omitted Taxes	345,524.06
	<u>\$ 24,079,583.64</u>

Tax Levy:

Local District School Tax (Abstract)		
County Taxes:		
General County Tax	4,719,389.54	
County Library Tax	511,026.53	
County Health Service Tax	183,908.58	
County Open Space Tax	161,576.30	
County Added & Omitted Tax	80,855.41	
Total County Taxes	<u>5,656,756.36</u>	
Local Open Space Tax	383,859.00	
Local Tax for Municipal Purposes	7,132,723.63	
Add: Additional Tax Levied	<u>264,668.65</u>	
		<u>\$ 7,811,251.28</u>
		<u>\$ 24,079,583.64</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 485,936.73
Increased by:		
Transfers from Taxes Receivable	\$ 39,727.19	
Interest and Costs Accrued at Tax Sale	<u>1,388.91</u>	
		<u>41,116.10</u>
Balance December 31, 2015		<u><u>\$ 527,052.83</u></u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Ref.	Balance Dec. 31, 2014	Accrued in 2015	Collections	Balance Dec. 31, 2015
Licenses					
Alcoholic Beverages	A-2	\$	\$ 7,085.96	\$ 7,085.96	\$ -
Fees and Permits	A-2		52,678.45	52,678.45	-
Fines and Costs					
Municipal Court	A-2	8,781.06	115,507.94	116,180.10	8,108.90
Interest and Costs on Taxes	A-2		102,998.36	102,998.36	-
Anticipated Utility Operating Surplus	A-2		350,000.00	350,000.00	-
Uniform Construction Code	A-2		304,763.67	304,763.67	-
State Aid:					
Energy Receipts Tax	A-2		596,512.00	596,512.00	-
Garden State Preservation Trust Fund			10,289.00	10,289.00	-
Other Special Items:	A-2				
Township of Barnegat - Tax Collector			15,000.00	15,000.00	-
Township of Barnegat - Recreation			42,308.16	42,308.16	-
Township of Barnegat - Construction Office			40,971.35	40,971.35	-
Reserve for Debt Service			300,000.00	300,000.00	-
Payment in Lieu of Taxes - Coastal Redevelopment			142,937.96	142,937.96	-
Reserve for Sandy Aid			49,725.03	49,725.03	-
		\$ 8,781.06	\$ 2,130,777.88	\$ 2,131,450.04	\$ 8,108.90
Receipts	A-4			\$ 2,081,725.01	
Reserve for FEMA				49,725.03	
				<u>\$ 2,131,450.04</u>	

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Year Authorized</u>	<u>Improvement Description</u>	<u>Net Amount Authorized</u>	1/5 of <u>Net Amount Authorized</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
2012	Superstorm Sandy	\$ 1,500,000.00	\$ 300,000.00	\$ 900,000.00	\$ 300,000.00	\$ 600,000.00
2011	Revaluation	200,000.00	40,000.00	80,000.00	40,000.00	40,000.00
				<u>\$ 980,000.00</u>	<u>\$ 340,000.00</u>	<u>\$ 640,000.00</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance Dec. 31, 2014	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
<u>OPERATIONS WITHIN CAPS</u>					
General Administration					
Salaries and Wages	\$ 500.00	\$ -	\$ 500.00	\$ -	\$ 500.00
Other Expenses	7,157.74	278.00	7,435.74	6,060.44	1,375.30
Mayor and Committee					
Salaries and Wages	653.48	-	653.48	-	653.48
Other Expenses	1,223.39	1,409.12	1,223.39	414.00	809.39
Municipal Clerk's Office					
Salaries and Wages	9,510.20	-	4,510.20	-	4,510.20
Other Expenses	2,035.18	-	3,444.30	2,029.84	1,414.46
Financial Administration					
Salaries and Wages	5,267.16	-	2,267.16	-	2,267.16
Other Expenses	2,316.55	750.00	3,066.55	2,208.97	857.58
Audit Services	20,205.00	-	40,205.00	40,205.00	-
Collection of Taxes					
Salaries and Wages	2,560.50	-	1,560.50	-	1,560.50
Other Expenses	1,994.72	1,612.51	2,607.23	240.01	2,367.22
Assessment of Taxes					
Salaries and Wages	5,012.66	-	1,012.66	-	1,012.66
Other Expenses	2,505.93	2,280.29	3,786.22	2,280.29	1,505.93
Legal Services and Costs					
Other Expenses	16,576.80	-	11,576.80	5,864.33	5,712.47
Special Litigation	500.00	-	500.00	-	500.00
Engineering Services					
Other Expenses	10,382.06	1,227.00	11,609.06	10,382.06	1,227.00

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance Dec. 31, 2014	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Economic Development					
Architect	2,000.00	-	2,000.00	-	2,000.00
Planning Board					
Salaries and Wages	2.38	-	2.38	-	2.38
Other Expenses	5,731.03	-	5,731.03	48.00	5,683.03
Zoning Board					
Salaries and Wages	1,392.98	-	392.98	-	392.98
Other Expenses	1,462.33	198.81	1,661.14	376.32	1,284.82
Board of Adjustment					
Salaries and Wages	627.43	-	627.43	-	627.43
Other Expenses	4,133.55	-	4,133.55	776.52	3,357.03
Other Code Enforcement Functions					
Salaries and Wages	17.00	-	17.00	-	17.00
Other Expenses	778.63	20.78	799.41	191.24	608.17
Municipal Housing Liaison					
Other Expenses	4,069.30	-	4,069.30	2,468.60	1,600.70
Insurance					
Unemployment Insurance	3,455.23	-	3,455.23	-	3,455.23
General Liability Insurance	63.70	170.00	233.70	170.00	63.70
Workers Compensation Insurance	372.59	-	372.59	-	372.59
Employee Group Health Insurance	364.15	-	364.15	-	364.15
Health Benefits Waiver	972.54	-	972.54	-	972.54
Police Department					
Salaries and Wages	112,494.67	-	17,494.67	-	17,494.67
Other Expenses	160.09	29,464.86	29,624.95	29,298.77	326.18

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance Dec. 31, 2014	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Police Dispatch					
Salaries and Wages	7,406.62	-	1,406.62	-	1,406.62
Other Expenses	1,722.11	703.00	2,425.11	713.00	1,712.11
Office of Emergency Management					
Salaries and Wages	5,000.00	-	5,000.00	-	5,000.00
Other Expenses	222.53	-	222.53	-	222.53
Fire Services Program	1,500.00	-	1,500.00	-	1,500.00
Aid to Volunteer Fire Companies	2,178.11	-	2,178.11	1,050.00	1,128.11
Municipal Prosecutor					
Other Expenses	1,500.00	-	1,500.00	-	1,500.00
Solid Waste Collection					
Salaries and Wages	500.00	-	500.00	-	500.00
Other Expenses	36,597.01	-	36,597.01	36,597.01	-
Streets and Roads Maintenance					
Salaries and Wages	26,489.51	-	6,489.51	-	6,489.51
Other Expenses	5,638.14	479.70	51,117.84	51,018.84	99.00
County Schedule "C" Program	2,327.70	-	2,327.70	1,159.04	1,168.66
Buildings and Grounds					
Salaries and Wages	13,028.91	-	7,028.91	-	7,028.91
Other Expenses	567.25	1,828.00	5,395.25	5,245.25	150.00
Vehicle Maintenance					
Salaries and Wages	6,691.55	-	2,691.55	-	2,691.55
Other Expenses	3,543.02	3,598.75	7,141.77	3,868.04	3,273.73
Public Health Services					
Salaries and Wages	500.00	-	500.00	-	500.00
Other Expenses	2,958.09	82.56	3,040.65	82.56	2,958.09

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance Dec. 31, 2014	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Environmental Health Services					
Salaries and Wages	1,050.00	-	50.00	-	50.00
Other Expenses	2,325.20	-	325.20	-	325.20
Animal Control Services					
Other Expenses	2,414.00	-	2,414.00	1,508.00	906.00
Vital Statistics					
Other Expenses	850.00	-	850.00	-	850.00
Public Assistance					
Other Expenses	1,000.00	-	1,000.00	-	1,000.00
Recreation					
Other Expenses	5,938.37	-	2,938.37	-	2,938.37
Beach and Boardwalk Operations					
Salaries and Wages	338.80	-	338.80	-	338.80
Other Expenses	121.82	-	121.82	-	121.82
Park Maintenance					
Other Expenses	52.17	96.00	148.17	96.00	52.17
Celebration of Public Events					
Other Expenses	5,119.87	-	2,119.87	-	2,119.87
Municipal Court					
Salaries and Wages	3,861.03	-	3,861.03	-	3,861.03
Other Expenses	2,158.69	2,574.00	4,732.69	968.87	3,763.82
Public Defender					
Other Expenses	4,000.00	-	4,000.00	-	4,000.00
Uniform Construction Code Enforcement					
Salaries and Wages	4,326.99	-	1,326.99	-	1,326.99
Other Expenses	3,025.52	122.67	1,148.19	41.97	1,106.22

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance Dec. 31, 2014	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Utilities:					
Electricity	8,298.82	-	8,298.82	786.04	7,512.78
Street Lighting	5,674.42	-	5,674.42	5,674.42	-
Telephone	6,784.45	-	3,784.45	630.00	3,154.45
Gas (Natural and Propane)	3,457.35	-	3,457.35	1,532.15	1,925.20
Gas and Oil	15,120.27	-	9,120.27	1,443.33	7,676.94
Telecommunications Costs	2,977.96	-	977.96	-	977.96
Landfill Disposal Costs	49,965.45	-	49,965.45	37,478.77	12,486.68
Accumulated Leave Compensations	11,000.00	-	61,000.00	61,000.00	-
Greenbriar Reimbursement	110,000.00	-	200,000.00	200,000.00	-
Total Operations within Caps	594,730.70	46,896.05	672,626.75	513,907.68	158,719.07

STATUTORY EXPENDITURES WITHIN CAPS

Contribution to:

Public Employee Retirement System	64.51	-	64.51	-	64.51
Police and Firemen's Retirement System of NJ	47.61	-	47.61	-	47.61
Defined Contribution Benefit Plan (DCRP)	1,001.01	-	1,001.01	-	1,001.01
Social Security System	41,804.54	-	10,804.54	-	10,804.54
Total Statutory Expenditures within Caps	42,917.67	-	11,917.67	-	11,917.67
Total Appropriations within Caps	637,648.37	46,896.05	684,544.42	513,907.68	170,636.74

OPERATIONS EXCLUDED FROM CAPS

Recycling Tax	12,000.00	-	12,000.00	-	12,000.00
Police Dispatchers	112.12	-	112.12	-	112.12
Salaries and Wages	1,438.00	-	1,438.00	-	1,438.00
Other Expenses					

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance Dec. 31, 2014	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
LOSAP	57,500.00		57,500.00	43,622.04	13,877.96
Snow Removal	8,000.00	-	8,000.00	8,000.00	-
Stormwater Management	1,000.00	-	1,000.00	-	1,000.00
Shared Service Agreements:					
Barnegat Township					
Uniform Construction	71,066.40	-	71,066.40	8,771.07	62,295.33
Lacey Township IT Service Police Department	3,025.00	-	3,025.00	-	3,025.00
Local Matching Funds for Grants	3,991.00	-	3,991.00	-	3,991.00
Total Operations excluded from Caps	158,132.52	-	158,132.52	60,393.11	97,739.41
Total General Appropriations	\$ 795,780.89	\$ 46,896.05	\$ 842,676.94	\$ 574,300.79	\$ 268,376.15

Disbursed	\$ 573,600.79
Encumbered	700.00
	<u>\$ 574,300.79</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 125,429.98
2015 Tax Levy:		
County Tax (Abstract)	\$4,719,389.54	
County Library Tax (Abstract)	511,026.53	
County Health Tax (Abstract)	183,908.58	
County Open Space Tax (Abstract)	161,576.30	
Due County for Added and Omitted Taxes	80,855.41	
		5,656,756.36
		5,782,186.34
Decreased by:		
Disbursements		5,701,330.93
Balance December 31, 2015		\$ 80,855.41

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Balance December 31, 2014		\$ -
Increased by:		
Levy Calendar Year 2015		383,859.00
Decreased by:		
Disbursements		383,859.00
Balance December 31, 2015		\$ -

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014:		
School Tax Payable	\$ 17,669.10	
School Tax Deferred	<u>5,127,567.00</u>	
		\$ 5,145,236.10
Increased by:		
Levy for School Year July 1, 2015 to June 30, 2016		<u>10,641,576.00</u>
		15,786,812.10
Decreased by:		
Disbursements		<u>10,559,506.00</u>
Balance December 31, 2015:		
School Tax Payable	99,739.10	
School Tax Deferred	<u>5,127,567.00</u>	
		<u><u>\$ 5,227,306.10</u></u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Total (Memo Only)	Superstorm Sandy	Hurricane Revenue	Revaluation	Accounts Payable	Fire Code Violations
Balance December 31, 2014	\$ 811,327.34	\$ 665,059.23	\$ 49,725.03	\$ 12,019.00	\$ 133,999.11	\$ 250.00
Beginning Balance Adjustment						
Balance December 31, 2014 - Revised	861,052.37	665,059.23	49,725.03	12,019.00	133,999.11	250.00
Increased by:						
Transferred from 2015 Budget						
Appropriations	-					
Receipts	144,377.21		142,998.41		1,378.80	
Total Increases	144,377.21	-	142,998.41	-	1,378.80	-
Total Increases and Balances	1,005,429.58	665,059.23	192,723.44	12,019.00	135,377.91	250.00
Decreased by:						
Disbursements	55,508.46	55,508.46				
Realized as Revenue	49,725.03		49,725.03			
Cancelled	35,377.91				35,377.91	
Disbursements	140,611.40	55,508.46	49,725.03	-	35,377.91	-
Balance December 31, 2015	\$ 949,921.12	\$ 609,550.77	\$ 142,998.41	\$ 12,019.00	\$ 100,000.00	\$ 250.00

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Total (Memo Only)	Grant Fund	Other Trust Fund	General Capital Fund	Water-Sewer Utility Capital Fund	Animal Control Trust Fund
Balance December 31, 2014 - Due From/(Due To)	\$ 1,421,418.20	\$ 130,961.56	\$ (22,319.83)	\$ 1,633.19	\$ -	\$ -
Increased by:						
Disbursements	734,781.51	194,530.39	96,222.55	444,028.57	-	-
Miscellaneous Revenue Not Anticipated	15,944.20	7,607.61	-	-	-	8,336.59
Total Increases and Balances	<u>750,725.71</u>	<u>202,138.00</u>	<u>96,222.55</u>	<u>444,028.57</u>	<u>-</u>	<u>8,336.59</u>
	670,692.49	333,099.56	73,902.72	445,661.76	-	8,336.59
Decreased by:						
Receipts	1,550,013.86	171,994.72	509,842.38	445,661.76	422,515.00	-
Grants Cancelled	-	-	-	-	-	-
Receipts	<u>1,550,013.86</u>	<u>171,994.72</u>	<u>509,842.38</u>	<u>445,661.76</u>	<u>422,515.00</u>	<u>-</u>
Balance December 31, 2015 - Due From/(Due To)	<u>\$ 2,220,706.35</u>	<u>\$ 161,104.84</u>	<u>\$ (435,939.66)</u>	<u>\$ -</u>	<u>\$ (422,515.00)</u>	<u>\$ 8,336.59</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF INTERFUND
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014 - Due To		\$ 130,961.56
Increased by:		
Receipts:		
Grand Fund Disbursements	\$ 189,344.33	
Appropriated Reserves Cancelled	203,216.99	
Unappropriated Reserves	2,999.03	
Transferred from 2015 Anticipated Revenue	2,187.03	
		397,747.38
		528,708.94
Decreased by:		
Grant Accounts Receivable Deposits	147,054.77	
Unappropriated Funds Received	22,752.92	
Grants Receivable Cancelled	195,609.38	
Transferred from 2015 Budget Appropriations	2,187.03	
		367,604.10
Balance December 31, 2015 - (Due From)		\$ 161,104.84

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Grant</u>	Balance Dec. 31, 2014	2015 Budgeted Revenue	Received	Cancelled	Balance Dec. 31, 2015
<u>Federal</u>					
Bullet Proof Vest Program	\$ 6,175.00		\$ -	\$ 2,955.00	\$ 3,220.00
Cops in Shops - 2012	400.00	-	-	400.00	-
Post Sandy Planning Assistance Grant:					
Master Plan	50,000.00		43,795.23	-	6,204.77
GIS	50,000.00		-	-	50,000.00
Permit Application	25,000.00		-	-	25,000.00
Waterfront Zoning	20,000.00		12,176.33	-	7,823.67
Master Element	50,000.00		-	-	50,000.00
Capital Improvement Plan	30,000.00		-	-	30,000.00
<u>State</u>					
Body Armor Replacement Fund	0.30	2,187.03		2,187.33	-
Municipal Alliance - 2011	88.00	-	-	-	88.00
Municipal Alliance - 2012	3,423.00	-	-	-	3,423.00
Municipal Alliance - 2013	274.36	-		-	274.36
Municipal Alliance - 2014	24,036.00		17,133.92	-	6,902.08
NJ DOT - Pocahontas	190,000.00		-	190,000.00	-
NJ DOT - Poplar Street 2007	24,809.00	-	-	-	24,809.00
NJ Forest Services	23,647.00		-	-	23,647.00
NJ TDR Program Planning Assistance Grant	20,000.00	-	-	-	20,000.00
NJ DOT Caldwell	76,715.00	-	41,340.69	-	35,374.31
OEM 966 - 2011	24.00	-	-	24.00	-
OEM 966 - 2012	18,237.00	-	-	-	18,237.00
OEM 966 - 2014	31,441.65		31,398.60	43.05	-
<u>County/Other</u>					
Ocean County Tourism Grant - Founders Day	1,210.00	-	1,210.00	-	-
	<u>\$645,480.31</u>	<u>\$ 2,187.03</u>	<u>\$ 147,054.77</u>	<u>\$ 195,609.38</u>	<u>\$ 305,003.19</u>

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Interfund - Grant Fund:
Receipts

\$147,054.77

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Grant</u>	Balance Dec. 31, 2014	Transfer from 2015 Budget Appropriation	Reserve for Encumbrances	Expended	Cancelled	Balance Dec. 31, 2015
<u>Federal</u>						
Bullet Proof Vest Program	\$ 3,220.00					\$ 3,220.00
Homeland Security	3,492.00					3,492.00
Post Sandy Planning Assistance Grant:						
Master Plan	43,340.35			26,865.48		16,474.87
GIS	43,361.52			41,953.27		1,408.25
Permit Application	24,366.12			8,467.78		15,898.34
Waterfront Zoning	7,823.67			7,743.31		80.36
Master Element-Flood Plain	37,450.00		6,126.00	43,576.00		-
Capital Improvement Plan	29,630.00			27,697.66		1,932.34
<u>State</u>						
Alcohol Education and Rehabilitation Fund - 2010	0.04				0.04	-
Alcohol Education and Rehabilitation Fund - 2013	897.00					897.00
Alcohol Education and Rehabilitation Fund - 2014	1,831.48					1,831.48
Body Armor Replacement Fund	-	2,187.03			2,187.03	-
CDBG - CT82207	2,097.00			-		2,097.00
CDBG - Capstan Road	32,500.00					32,500.00
Clean Communities - 2013	0.12				0.12	-
Clean Communities - 2014	18,720.69			18,720.69		-
Municipal Alliance 2011 - State Share	61.00				61.00	-
Municipal Alliance 2012 - State Share	186.00		260.00	260.00	186.00	-
Municipal Alliance 2013 - State Share	0.24				0.24	-
Municipal Alliance 2014 - State Share	13,066.89		1,944.75	15,011.64		-
<u>State (continued)</u>						
NJ DOT - Caldwell	12,731.84			1,680.00		11,051.84
NJDOT - Pocahontas Avenue	190,000.00				190,000.00	-
NJ Forest Services	23,647.00					23,647.00
NJ Shore to Grow	7,788.00				7,788.00	-
NJ State Police - CERT Trailer	67.05		228.95	228.95	67.05	-
OEM 966 - 2011	20.00				20.00	-
OEM 966 - 2012	20.00				20.00	-
OEM 966 - 2014	43.05				43.05	-
<u>County/ Other</u>						
Ocean County Tourism - 2012 County Share	904.00				904.00	-
Ocean County Tourism - 2013 County Share	920.00				920.00	-
Municipal Alliance 2011 - Local Share	333.00				333.00	-
Municipal Alliance 2013 - Local Share	1,374.96			687.50	687.46	-
Municipal Alliance 2014 - Local Share	3,067.00			3,067.00		-
	<u>\$ 502,960.02</u>	<u>\$ 2,187.03</u>	<u>\$ 8,559.70</u>	<u>\$ 195,959.28</u>	<u>\$ 203,216.99</u>	<u>\$ 114,530.48</u>

Interfund-Current Fund	\$ 189,344.33
Encumbrances Payable	<u>6,614.95</u>
	<u>\$ 195,959.28</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Grant</u>	Balance Dec. 31, 2014	Received	Cancelled	Balance Dec. 31, 2015
<u>State</u>					
CDBG		\$ 812.00	\$ -	\$ 812.00	\$ -
Clean Communities - 2015		-	22,752.92	-	22,752.92
Body Armor Replacement Grant		2,187.03	-	2,187.03	-
		<u>\$ 2,999.03</u>	<u>\$ 22,752.92</u>	<u>\$ 2,999.03</u>	<u>\$ 22,752.92</u>

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TRUST FUND

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**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
TRUST FUNDS
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Animal Control Trust	Other Trust
Balance December 31, 2014	\$ 19,969.00	\$3,192,185.13
Increased by Receipts:		
Due to State of New Jersey	\$ 1,380.60	-
Animal License Fees	2,038.74	-
Interfund - Current Fund	8,336.59	
Miscellaneous Reserves	-	564,467.61
	11,755.93	564,467.61
	31,724.93	3,756,652.74
Decreased by Disbursements:		
Due State of New Jersey	1,380.60	-
Reserve for Animal Control Fund Expenditures	584.40	-
Interfund - Current Fund	-	
Miscellaneous Reserves	-	920,962.91
	1,965.00	920,962.91
Balance December 31, 2015	\$ 29,759.93	\$2,835,689.83

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Ref.	
Balance December 31, 2014		\$ -
Increased by:		
2015 Animal License Fees		<u>1,380.60</u>
Decreased by:		
Fees Paid to State		<u>1,380.60</u>
Balance December 31, 2015		<u><u>\$ -</u></u>

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

Balance December 31, 2014		\$ 20,019.00
Increased by:		
2015 Animal License Fees:		
Animal License Fees	\$ 9,212.40	
Miscellaneous	<u>1,162.93</u>	
Total Receipts		<u>10,375.33</u>
		<u>30,394.33</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11		584.40
Interfund - Current Fund		<u>8,336.59</u>
Balance December 31, 2015		<u><u>\$ 21,473.34</u></u>

Animal License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	<u>11,071.00</u>
2014	<u>10,402.34</u>
	<u><u>\$21,473.34</u></u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
OTHER TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014 - Due From		\$ 22,319.83
Increased by:		
Off Duty Police Deposits in Current Fund	\$ 121,174.06	
Police Donations	4,582.32	
Collector	383,859.00	
Disbursements	227.00	
Total Increases		509,842.38
		532,162.21
Decreased by:		
Off Duty Police Disbursed in Current Fund	95,880.10	
Receipts	342.45	
Total Decreases		96,222.55
Balance December 31, 2015 - Due From		\$ 435,939.66

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
OTHER TRUST FUND
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Developer's Escrow	\$1,355,602.25	\$ 228,072.26	\$ 298,278.12	\$1,285,396.39
Utility Escrow	313,373.44	2,256.91	22,569.70	293,060.65
Hurricane Sandy - Robin Hood	20,788.73	4.22	20,792.95	-
Founder's Day	37,102.17	20,414.85	17,272.60	40,244.42
Recreation	45,524.58	68,271.99	65,034.11	48,762.46
Municipal Alliance	3,713.92	1,470.00	2,147.15	3,036.77
Recycling	105,939.44	7,609.57	25,821.86	87,727.15
Disposal of Forfeited Property	7,787.59	802.35	4,478.86	4,111.08
Police Donations	3,783.71	11,232.32	5,500.00	9,516.03
Public Defender	2,265.06	10,030.00	10,650.00	1,645.06
Accumulated Leave	105,999.15	61,000.00	66,846.59	100,152.56
Snow Removal	28,069.68	8,000.00	12,474.70	23,594.98
Housing Element	60,232.98	15,279.48	38,335.44	37,177.02
POAA	10.00	-	-	10.00
Outside Police Employment	22,606.00	121,174.06	95,880.10	47,899.96
Tax Sale Premiums	275,789.43	134,258.34	-	410,047.77
Open Space	556,729.83	384,433.64	332,251.41	608,912.06
	<u>\$2,945,317.96</u>	<u>\$1,074,309.99</u>	<u>\$1,018,333.59</u>	<u>\$3,001,294.36</u>

B			
Deposits	\$ 564,467.61	\$ -	
Disbursed	-	920,962.91	
Interfunds:			
Utility Operating	-	1,148.13	
Current Fund	509,842.38	96,222.55	
	<u>\$1,074,309.99</u>	<u>\$1,018,333.59</u>	

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
SCHEDULE OF RESERVE FOR LENGTH OF
SERVICE AWARDS PROGRAM (LOSAP) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 365,636.09
Increased by:		
Township Contributions to Trustee	\$ 42,212.17	
Appreciation	51.14	
Total Increases	<u>42,263.31</u>	<u>42,263.31</u>
		407,899.40
Decreased by:		
Withdrawals and Other Reductions	45,701.06	
Depreciation	1,716.59	
	<u>47,417.65</u>	<u>47,417.65</u>
Balance December 31, 2015		<u><u>\$ 360,481.75</u></u>

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GENERAL CAPITAL FUND

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**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 826,481.65
Increased by:		
2015 Budget Appropriations:		
Capital Improvement Fund	\$ 50,000.00	
Interfunds:		
Current Fund	400,351.33	
Bond Anticipation Notes Issued	<u>1,478,200.00</u>	
		<u>1,928,551.33</u>
		<u>2,755,032.98</u>
Decreased by Disbursements:		
Improvement Authorizations	1,956,053.82	
Interfunds:		
Current Fund	421,996.76	
Anticipated as 2015 Current Fund Revenue:		
Reserve For Debt Service	<u>300,000.00</u>	
		<u>2,678,050.58</u>
Balance December 31, 2015		<u><u>\$ 76,982.40</u></u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL CAPITAL FUND
ANALYSIS OF CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Receipts				Disbursements				Balance Dec. 31, 2015
	Balance Dec. 31, 2014	Budget Appropriation	Notes Issued	Improvement Authorizations	Miscellaneous	Transfers		Balance Dec. 31, 2015	
						From	To		
Fund Balance	\$ 29,277.68	\$ -	\$ -	\$ -	\$ -	-	-	\$ 29,277.68	
Capital Improvement Fund	15,377.55	50,000.00	-	-	-	27,050.00	-	38,327.55	
Green Acres Loan Receivable	(315,321.09)	-	-	-	-	-	-	(315,321.09)	
Grants Receivable	-	-	-	-	-	547,000.00	-	(547,000.00)	
Reserve for Developer Contribution	63,497.00	-	-	-	-	-	-	63,497.00	
Reserve for Debt Service	586,841.00	-	-	-	300,000.00	-	23,665.00	310,506.00	
Reserve for Preliminary Expenses	24,686.70	-	-	-	-	-	-	24,686.70	
Interfunds:									
Current Fund	1,633.19	400,351.33	-	-	421,996.76	23,665.00	43,677.24	-	
Trust Fund	(269,187.00)	-	-	-	-	-	-	(269,187.00)	
Utility Capital Fund	-	-	-	-	-	-	-	-	
Reserve for Encumbrances	470,236.64	-	-	-	-	470,236.64	76,165.13	76,165.13	
Improvement Authorizations:									
Ordinance	Number	Improvement Description							
	03-43	Construction of Recreation Facility		20.00	-	-	-	20.00	
	03-44	Acquisition of Land		-	-	800.00	800.00	-	
	04-14	Dredging of Various Locations		13,406.80	-	-	-	13,406.80	
	06-22	Dredging of Various Locations		-	-	-	-	9.00	
	06-27	Improvements to Volunteer Way		66,871.73	-	7,702.00	13,634.67	121,530.30	
	06-28	Road and Drainage System Improvements		-	-	278,283.29	332,941.86	4,833.00	
	06-33	Construction of a Recreation Area		-	-	29,710.00	34,543.00	167,816.02	
07-17/12-08		Various Capital Improvements		167,816.02	-	-	-	8,359.53	
	07-18	Bay Parkway Extension		12,584.53	-	8,648.50	23,534.85	23,541.66	
	07-20	Improvements to Municipal Structures		23,541.66	-	-	-	3,489.03	
	07-21	Dredging and Cleaning of Waretown Lake		3,489.03	-	14,387.59	14,387.59	123,428.59	
	09-06	Acquisition of Emergency Medical Vehicle		132,461.59	-	7,663.00	566.90	700.65	
	11-12	Various Capital Improvements		700.65	-	-	-	24,660.43	
	12-15	Various Capital Improvements		24,660.43	-	-	-	9,644.86	
	13-26	Various Capital Improvements		19,439.13	-	8,289.27	-	18,037.76	
	13-27	Various Capital Improvements		20,449.76	-	6,242.95	3,830.95	22,362.78	
	14-06	Various Municipal Capital Improvements		24,362.78	-	24,376.82	45,996.82	(925,000.00)	
	14-07	Various Municipal Capital Improvements		(339,460.63)	-	585,539.37	-	-	
	14-09	Acquisition of a Fire Pumper Apparatus		10,457.00	-	10,457.00	-	-	
	14-10	Replacement of the Bryant Road Gazebo		22,500.00	-	450,000.00	-	-	
	15-11	Various Capital Improvements		16,139.50	-	476,919.62	-	66,089.26	
				-	513,950.00	61,222.00	574,050.00	983,100.76	
				\$ 826,481.65	\$ 450,351.33	\$ 1,478,200.00	\$ 1,955,853.82	\$ 721,996.76	
				\$ 1,187,794.01	\$ 1,187,794.01	\$ 1,187,794.01	\$ 76,982.40		

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	C	\$7,335,890.36
Decreased by:		
2015 Budget Appropriations:		
Serial Bonds		\$ 515,925.00
Green Trust Loans		9,630.03
	C-10,11,12	<u>525,555.03</u>
Balance December 31, 2015	C	<u><u>\$6,810,335.33</u></u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	2015 Authorizations		Improvement Authorizations Canceled	2015 Budget Appropriation	Raised By Open Space Trust	Balance Dec. 31, 2015		Analysis of Balance Dec. 31, 2015	
		Dec. 31, 2014	2015				Dec. 31, 2015	Dec. 31, 2015	Expended	Unexpended Balance
06-27	Improvements to Volunteer Way From the Ocean County Fire Training Center to Wells Mills Road	\$ 212,500.00	\$ -	-	-	-	\$ 212,500.00	\$ -	-	\$ 212,500.00
07-17	Road and Drainage System Improvements & Various Improvements to Buildings and Ground:	275,116.00	-	-	17,000.00	-	258,116.00	258,116.00	-	-
07-21	Dredging and Stream Cleaning of Waretown Lake	374,300.00	-	-	20,000.00	-	354,300.00	354,300.00	-	-
11-12	Various Capital Improvement:	997,500.00	-	-	61,000.00	-	936,500.00	936,500.00	-	-
12-10	Replacement of the Bryant Road Gazebo	546,250.00	-	-	10,900.00	-	535,350.00	535,350.00	-	-
12-15	Various Capital Improvement:	570,000.00	-	-	-	-	570,000.00	570,000.00	-	-
13-26	Various Capital Improvement:	137,750.00	-	-	-	-	137,750.00	137,750.00	-	-
13-27	Various Capital Improvement:	457,900.00	-	-	-	-	457,900.00	457,900.00	-	-
14-06	Various Municipal Capital Improvement	925,000.00	-	-	-	-	925,000.00	925,000.00	-	-
14-09	Acquisition of a Fire Pumper Apparatus	427,500.00	-	-	-	-	427,500.00	427,500.00	-	-
14-10	Replacement of the Bryant Road Gazebo	536,750.00	-	-	-	-	536,750.00	536,750.00	-	-
15-11	Various Capital Improvement:	-	513,950.00	-	-	-	513,950.00	513,950.00	-	-
		\$ 5,460,566.00	\$ 513,950.00	\$ -	\$ 108,900.00	\$ -	\$ 5,865,616.00	\$ 4,728,116.00	\$ 925,000.00	\$ 212,500.00

Improvement Authorizations - Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes

\$ 999,033.21

Ordinance Number	Improvement Description	Expended	Unexpended Balance
06-33	Construction of a Recreation Area	\$ -	-
07-17/12-08	Road and Drainage System Improvements & Various Improvements to Buildings and Ground	8,359.53	-
07-21	Dredging and Stream Cleaning of Waretown Lake	123,428.59	-
11-12	Various Capital Improvement:	24,660.43	-
12-15	Various Capital Improvement:	9,644.86	-
13-26	Various Capital Improvement:	18,037.76	-
13-27	Various Capital Improvement:	22,362.78	-
14-10	Replacement of the Bryant Road Gazebo	66,089.26	-
15-11	Various Capital Improvement:	513,950.00	-
		786,533.21	-
		\$ 999,033.21	\$ 212,500.00

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Descriptor	Ordinance Amount		Balance Dec. 31, 2014		2015 Authorizations	Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2015	
		Date		Funded	Unfunded				Funded	Unfunded
03-43	Construction of Recreation Facility	11/13/03	\$ 300,000.00	\$ 20.00	\$ -	-	\$ -	-	\$ 20.00	\$ -
03-44	Acquisition of Land	11/13/03	360,000.00	-	-	-	800.00	800.00	-	-
04-14	Dredging of Various Locations	7/22/04	100,000.00	13,406.80	-	-	-	-	13,406.80	-
06-22	Road Improvements and Drainage Systems	7/31/06	80,000.00	-	-	-	13,634.67	13,625.67	9.00	-
06-27	Improvements to Volunteer Way From the Ocean									
	County Fire Training Center to Wells Mills Ro	8/10/06	2,250,000.00	66,871.73	212,500.00	-	332,941.86	278,283.29	121,530.30	212,500.00
06-28	Various Road and Drainage System Improvements	8/10/06	500,000.00	-	-	-	34,543.00	29,710.00	4,833.00	-
06-33	Construction of a Recreation Area	9/14/06	1,300,000.00	-	167,816.02	-	-	-	167,816.02	-
	Road and Drainage System Improvements &									
	Various Improvements to Buildings and Groun	8/09/07	850,000.00	-	12,584.53	-	23,534.85	27,759.85	-	8,359.53
07-17/12-08	Bay Parkway Extension	8/09/07	1,350,000.00	23,541.66	-	-	-	-	23,541.66	-
07-20	Improvements to Various Municipal Structures	8/09/07	500,000.00	3,489.03	-	-	14,387.59	14,387.59	3,489.03	-
07-21	Dredging and Stream Cleaning of Waretown Lake	8/09/07	575,000.00	-	132,461.59	-	566.90	9,599.90	-	123,428.59
09-06	Acquisition of Emergency Medical Vehicle	7/21/09	152,000.00	700.65	-	-	-	-	700.65	-
11-12	Various Capital Improvements	7/14/11	1,050,000.00	-	24,660.43	-	-	-	-	24,660.43
12-15	Various Capital Improvements	8/09/12	600,000.00	-	19,439.13	-	-	9,794.27	-	9,644.86
13-26	Various Capital Improvements	12/12/13	145,000.00	-	20,449.76	-	3,830.95	6,242.95	-	18,037.76
13-27	Various Capital Improvements	12/12/13	482,000.00	-	24,362.78	-	45,996.82	47,996.82	-	22,362.78
14-06	Various Municipal Capital Improvements	9/11/14	925,000.00	-	585,539.37	-	-	585,539.37	-	-
14-07	Various Municipal Capital Improvements	9/11/14	45,000.00	10,457.00	-	-	-	10,457.00	-	-
14-09	Acquisition of a Fire Pumper Apparatus	12/11/14	450,000.00	22,500.00	427,500.00	-	-	450,000.00	-	-
14-10	Replacement of the Bryant Road Gazebo	12/11/14	565,000.00	16,139.50	536,750.00	-	-	486,800.24	-	66,089.26
15-11	Various Capital Improvements		1,088,000.00	-	-	1,088,000.00	-	104,899.24	469,150.76	513,950.00
				\$ 157,126.37	\$ 2,164,063.61	\$ 1,088,000.00	\$ 470,236.64	\$ 2,075,896.19	\$ 804,497.22	\$ 999,033.21

Reserve for Encumbrance: \$ 76,165.13
 Current Fund Interfund: 43,677.24
 Disbursement: 1,956,053.82

\$ 2,075,896.19

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Outstanding Dec. 31, 2015	Interest Rate	Amount			
General Improvement:	1/10/2006	\$ 5,280,000.00	\$ 270,000.00	4.000%				
			1/01/17					
			1/01/18	280,000.00	4.000%			
			1/01/19	290,000.00	4.000%			
			1/01/20	300,000.00	4.000%			
			1/01/21	310,000.00	4.000%			
			1/01/22	320,000.00	4.000%			
			1/01/23	330,000.00	4.000%			
			1/01/24	330,000.00	4.100%			
			1/01/25	340,000.00	4.100%			
			1/01/26	350,000.00	4.100%	\$ 260,000.00	\$ 3,120,000.00	
General Improvement:	8/13/2010	4,280,000.00	264,750.00	2.500%				
			8/01/17	273,575.00	2.500%			
			8/01/18	282,400.00	3.000%			
			8/01/19	291,225.00	3.000%			
			8/01/20	304,463.00	3.000%			
			8/01/21	308,875.00	3.000%			
			8/01/22	322,113.00	3.125%			
			8/01/23	339,763.00	3.250%			
			8/01/24	344,175.00	3.375%			
			8/01/25	357,286.00	3.375%	255,925.00	3,088,625.00	
							<u>\$ 6,724,550.00</u>	<u>\$ 6,208,625.00</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Date of Original Issue	Date of Maturity	Date of Issue	Interest Rate	Balance		Increase	Decreases	Balance Dec. 31, 2015
						Dec. 31, 2014	\$			
07-17	Road and Drainage Improvements	9/13/2012	2/26/2016	2/27/2015	1.250%	\$ 275,116.00	\$	-	17,000.00	\$ 258,116.00
07-21	Dredging and Stream Cleaning of Lt	12/04/2008	2/26/2016	2/27/2015	1.250%	374,300.00		-	20,000.00	354,300.00
11-12	Various Capital Improvements	9/13/2012	2/26/2016	2/27/2015	1.250%	997,500.00		-	61,000.00	936,500.00
12-10	Storm Wayer Improvements	9/13/2012	2/26/2016	2/27/2015	1.250%	546,250.00		-	10,900.00	535,350.00
12-15	Various Capital Improvements	2/28/2013	2/26/2016	2/27/2015	1.250%	570,000.00		-	-	570,000.00
13-26	Various Capital Improvements	2/27/2014	2/26/2016	2/27/2015	1.250%	137,750.00		-	-	137,750.00
13-27	Various Capital Improvements	2/27/2014	2/26/2016	2/27/2015	1.250%	457,900.00		-	-	457,900.00
14-09	Acquisition of a Fire Pumper Appar	04/22/15	04/21/16	04/22/15	0.590%	-		427,500.00	-	427,500.00
14-10	Replacement of the Bryant Road Ga	04/22/15	04/21/16	04/22/15	0.590%	-		536,750.00	-	536,750.00
15-11	Various Capital Improvements	12/17/15	12/16/16	12/17/15	0.780%	-		513,950.00	-	513,950.00
						\$3,358,816.00	\$1,478,200.00	\$	108,900.00	\$4,728,116.00

2015 Budget Appropriation \$ 108,900.00

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>
2006-27	Improvements to Volunteer Way From the Ocean County Fire Training Center to Wells Mills Road	\$ 212,500.00
2014-06	Various Municipal Capital Improvement:	925,000.00
		<u>\$ 1,137,500.00</u>
	Ref.	C

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WATER- SEWER UTILITY FUND

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**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY FUND
SCHEDULE OF WATER-SEWER UTILITY CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Operating	Capital
Balance December 31, 2014	\$1,557,425.84	\$1,507,108.89
Increased by Receipts:		
Consumer Accounts Receivable	\$3,271,151.17	
Miscellaneous Revenue	408,676.87	
Consumer Overpayments	9,845.45	
BAN Proceeds		\$ 425,000.00
Interfunds		350.07
Loan Proceeds Receivable	3,689,673.49	3,760,409.07
	5,247,099.33	5,267,517.96
Decreased by Disbursements:		
2015 Budget Appropriations	4,366,649.36	
Appropriation Reserves	41,630.59	
Reserve for Bond Covenants		16,497.86
Improvement Authorizations		3,497,300.02
	4,408,279.95	3,513,797.88
Balance December 31, 2015	\$ 838,819.38	\$1,753,720.08

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance		Receipts		Disbursements		Balance
	Dec. 31, 2014	Miscellaneous	Miscellaneous	Improvement	From	To	
EIT Loan Proceeds Receivable	\$ (1,671,540.00)	\$ 3,335,059.00			\$ 7,076,944.00	\$ 431,710.00	\$ (4,981,715.00)
Capital Improvement Fund	558,850.03						558,850.03
Reserve for Encumbrances	43,892.24				43,892.24	69,744.99	69,744.99
Reserve for Bond Covenants	888,759.50						872,261.64
Reserve for Preliminary Expenditures	95,809.44		16,497.86				95,809.44
Fund Balance	254,317.63				250,000.00		4,317.63
Interfunds:							
Current Fund		425,000.00					
Water-Sewer Utility Operating Fund	305,610.06	350.07			847,515.00	250,000.00	(422,515.00)
Improvement Authorizations:							555,960.13
Ordinance Number	Improvement Description						
08-15	Improvement to Various Water Wells and Related Expenses						
08-25	Acquisition of Land and Related Expenses						
09-02,09-05,	16,817.90				8,361.99	8,361.99	-
10-07					30,748.00	30,748.00	-
10-13	(41,268.00)					225.00	(41,268.00)
11-02	(34,128.65)						(34,128.65)
12-04	228,285.11		52,960.42				175,324.69
13-04	(102,461.93)		4,427.50				(106,889.43)
13-05	311,932.02					4,557.25	316,489.27
13-06	342,118.36						342,118.36
13-28	310,115.18		1,322.00				308,793.18
14-03			516,732.64			703,796.00	187,063.36
14-11			2,739,610.51		431,710.00	6,795,663.00	3,624,342.49
15-12			182,038.95		30,410.00	425,000.00	212,551.05
			208.00				(208.00)
	\$ 1,507,108.89	\$ 3,760,409.07	\$ 3,497,300.02	\$ 16,497.86	\$ 8,719,806.23	\$ 8,719,806.23	\$ 1,753,720.08

D

D-5

D-5

D-5

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	Ref. D	\$ 987,927.88
Increased by:		
2015 Water-Sewer Rents		3,281,876.90
		<u>4,269,804.78</u>
Decreased by:		
Collections	D-5	\$ 3,271,151.17
Overpayments Applied	D-8	5,507.96
	D-5	<u>3,276,659.13</u>
Balance December 31, 2015	D	<u>\$ 993,145.65</u>

**WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL**

	Balance Dec. 31, 2015
Land and Easements	\$ 88,766.50
Plant and Additions	2,542,618.78
Collection System	11,268,038.38
Water Tower and Fence	773,137.00
Wells and Retention Tank	2,223,987.65
Transmission Lines	14,449,340.94
Pumping Station	898,071.22
Equipment	463,641.06
Equipment - Sewer	26,589.60
Equipment - Water	92,150.07
Equipment - GIS Sewer	9,449.25
Equipment - GIS Water	9,449.25
Vehicles	801,203.54
Meters	757,489.75
Meters - Water	168,136.44
Administration/Utility Building	295,627.50
Administration Utility	1,252.50
Garage - Sewer	10,335.00
Garage - Water	10,335.00
Construction in Progress - Sewer	246,714.33
Construction in Progress - Water	750,143.15
	<u>\$ 35,886,476.91</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED
AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u>
	<u>Number</u>	<u>Amount</u>	<u>Dec. 31, 2015</u>
Improvement to Various Water Wells and Related Expenses	08-15	\$ 600,000.00	\$ 600,000.00
Acquisition of Land and Related Expenses	08-25	1,600,000.00	1,600,000.00
Various Capital Improvements to Sewerage Collection System	13-04	500,000.00	500,000.00
Construction of Certain Clean Water and Drinking Water Projects	13-28	1,300,000.00	1,300,000.00
Construction of Certain Clean Water and Drinking Water Projects	14-03	6,600,000.00	6,600,000.00
Various Water and Sewer Utility Improvements and Related Expenses	14-11	425,000.00	425,000.00
Construction of Certain Clean Water and Drinking Water Projects	15-12	4,200,000.00	4,200,000.00
			<u>\$ 15,225,000.00</u>
		Ref.	D

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF 2014 WATER-SEWER UTILITY APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance Dec. 31, 2014	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 33,323.97	\$ -	\$ 33,323.97	\$ -	\$ 33,323.97
Other Expenses	162,238.37	15,640.28	177,878.65	32,199.04	145,679.61
State of New Jersey Water Tax	8,000.00	-	8,000.00		8,000.00
Ocean County Utilities Authority	4,996.80	-	4,996.80		4,996.80
Capital Improvements:					
Capital Outlay	10,486.26	13,946.50	24,432.76	13,946.50	10,486.26
Statutory Expenditures:					
Contributions to:					
Public Employee's Retirement System	9.40	-	9.40		9.40
Social Security System	11,033.69	-	11,033.69		11,033.69
Unemployment Compensation Insurance	8,571.88	-	8,571.88		8,571.88
	<u>\$ 238,660.37</u>	<u>\$ 29,586.78</u>	<u>\$268,247.15</u>	<u>\$ 46,145.54</u>	<u>\$ 222,101.61</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON
BONDS, NOTES AND LOANS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 101,977.00
Increased by:	
Budget Appropriations	<u>237,248.00</u>
	339,225.00
Decreased by:	
Disbursements	<u>234,197.20</u>
Balance December 31, 2015	<u><u>\$ 105,027.80</u></u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Totals (Memo Only)	Current Fund	Water-Sewer Operating Fund
Balance December 31, 2014 - Due To/(Due From)	\$ 305,610.06	\$ -	\$ 305,610.06
Increased by:			
Anticipated Revenue	250,000.00	-	250,000.00
Capital Fund Balance	-	-	-
Receipts	350.07	-	350.07
Expenditures Paid in Other Funds	-	-	-
Total Increases	<u>250,350.07</u>	-	<u>250,350.07</u>
Total Increases and Balance	<u>555,960.13</u>	-	<u>555,960.13</u>
Decreased by:			
Disbursed	422,515.00	422,515.00	-
	<u>422,515.00</u>	<u>422,515.00</u>	<u>-</u>
Balance December 31, 2015 - Due To/(Due From)	<u>\$ 133,445.13</u>	<u>\$ (422,515.00)</u>	<u>\$ 555,960.13</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2014		2015 Authorizations	Prior Year Encumbrances	Paid or Charged	Balance Dec. 31, 2015	
				Funded	Unfunded				Funded	Unfunded
08-15	Improvement to Various Water Wells and Related Expenses	5/08/2008	\$ 600,000.00	\$ -	-	\$ -	\$ 8,361.99	\$ 8,361.99	\$ -	\$ -
08-25	Acquisition of Land and Related Expenses	12/01/2008	1,600,000.00	16,817.90	-	30,748.00	30,748.00	30,748.00	-	16,817.90
09-02,09-05										
10-07	Construction of Certain Clean Water and Drinking Water Pr	6/11/2009	1,870,000.00	-	-	225.00	225.00	225.00	-	-
10-13	Construction of and Improvements to Well #6	12/15/2010	300,000.00	7,071.35	-	-	-	-	-	7,071.35
11-02	Construction of Certain Clean Water and Drinking Water Pr	3/10/2011	1,660,000.00	228,285.11	93,700.00	-	52,960.42	175,324.69	-	93,700.00
12-04	Construction of Certain Clean Water and Drinking Water Pr	4/26/2012	1,850,000.00	8,553.07	-	-	4,427.50	-	-	4,125.57
13-04	Sewer Main Replacement Hornblower Drive and Bluebeard	3/14/2013	400,000.00	311,932.02	12,614.00	4,557.25	-	316,489.27	-	12,614.00
13-05	Various Capital Improvements to Sewerage Collection Syst	3/14/2013	500,000.00	342,118.36	-	-	-	308,793.18	-	342,118.36
13-06	Construction of Certain Clean Water and Drinking Water Pr	4/11/2013	1,150,000.00	310,115.18	207,220.00	-	1,322.00	-	-	207,220.00
13-28	Construction of Certain Clean Water and Drinking Water Pr	12/12/2013	1,300,000.00	1,300,000.00	-	-	516,732.64	-	-	783,267.36
14-03	Construction of Certain Clean Water and Drinking Water Pr	5/08/2014	6,600,000.00	6,600,000.00	-	-	2,739,610.51	-	-	3,860,389.49
14-11	Various Water and Sewer Utility Improvements and Related	12/11/2014	425,000.00	425,000.00	-	-	212,448.95	-	-	212,551.05
15-12	Construction of Certain Clean Water and Drinking Water Pr	9/10/2015	4,200,000.00	4,200,000.00	-	-	208.00	-	-	4,199,792.00
				\$ 850,332.31	\$ 9,013,094.68	\$ 4,200,000.00	\$ 43,892.24	\$ 3,567,045.01	\$ 800,607.14	\$ 9,739,667.08

Ref.
D
D-5

Reserve for Encumbrances
Disbursements

\$ 69,744.99
3,497,300.02
\$ 3,567,045.01

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 28,090,373.98
Increased by:	
Deferred Reserve for Amortization	
Debt Paid by Operating Budget:	
Serial Bonds	\$ 584,075.00
Loans - EIT	224,178.25
	808,253.25
Balance December 31, 2015	\$ 28,898,627.23

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	Ordinance Number	Balance Dec. 31, 2015
Improvement to Various Water Wells and Related Expenses	08-15	\$ 30,000.00
Construction of and Improvements to Well #7	08-16	217,400.00
Acquisition of Land and Related Expenses	08-25	670,000.00
Various Capital Improvements to Sewerage Collection System	13-04	29,778.45
Sewer Main Replacement Hornblower Drive and Bluebeard Drive	13-06	232,557.07
Construction of Certain Clean Water & Drinking Water Projects	13-28	177,255.93
Construction of Certain Clean Water & Drinking Water Projects	14-03	2,200,123.82
		\$ 3,557,115.27

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER-SEWER UTILITY SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds				
			Outstanding Date	Dec. 31, 2015 Amount	Interest Rate	Balance Dec. 31, 2014	Balance Dec. 31, 2015
Utility Revenue Bonds, Refunding Series 1993B	10/28/93	\$ 5,235,000.00	8/01/2016	73,500.00	6.000%		
			8/01/2017	78,000.00	6.000%	\$ 206,500.00	\$ 151,500.00
Utility Revenue Bonds, Refunding Series 1993B	10/28/93	5,235,000.00	8/01/2016	661,500.00	6.000%		
			8/01/2017	702,000.00	6.000%	1,858,500.00	1,363,500.00
General Improvement	08/13/10	57,000.00	8/01/2016	35,250.00	2.500%		
			8/01/2017	36,425.00	2.500%		
			8/01/2018	37,600.00	3.000%		
			8/01/2019	38,775.00	3.000%		
			8/01/2020	40,538.00	3.000%		
			8/01/2021	41,125.00	3.000%		
			8/01/2022	42,888.00	3.125%		
			8/01/2023	45,238.00	3.250%		
			8/01/2024	45,825.00	3.375%		
			8/01/2025	47,711.00	3.375%	445,450.00	411,375.00
						\$ 2,510,450.00	\$ 1,926,375.00

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance		Issued for Cash	Decreases	Balance Dec. 31, 2015
						Dec. 31, 2014	Dec. 31, 2015			
08-25	Acquisition of Land and Related Expenses	10/29/2009	2/27/15	2/26/16	1.25%	\$ 557,000.00	\$	-	\$ 20,000.00	\$ 537,000.00
13-05	Various Capital Improvements to the Sewer System	6/21/2013	2/27/15	2/26/16	1.25%	500,000.00		-	-	500,000.00
14-11	Various Capital Improvements to the Sewer System	4/22/15	4/22/15	4/21/16	0.59%	-		425,000.00	-	425,000.00
						\$ 1,057,000.00	\$ 425,000.00	\$ 20,000.00	\$ 20,000.00	\$ 1,462,000.00
						Ref.	D	D-5	D-5	D

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ EIT LOAN PROCEEDS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance	Purpose	Award	Balance Dec. 31, 2014	Increases	Decrease	Balance Dec. 31, 2015
12-04	2013A Drinking Water Fund Loan	\$ 451,392.00	\$ 204,825.00	\$ -		\$ 204,825.00
12-04	2013A Drinking Water Fund Loan	300,927.00	136,549.00	-		136,549.00
13-04	2014A Clean Water Fund Loan	292,386.00	292,386.00		292,386.00	-
13-04	2014A Clean Water Trust Loan	95,000.00	95,000.00		94,397.00	603.00
13-06	2014A Drinking Water Fund Loan	433,143.00	433,143.00		344,837.00	88,306.00
13-06	2014A Drinking Water Trust Loan	145,000.00	145,000.00		114,946.00	30,054.00
13-06	2014A Clean Water Fund Loan	274,637.00	274,637.00		237,940.00	36,697.00
13-06	2014A Clean Water Trust Loan	90,000.00	90,000.00		79,313.00	10,687.00
14-03,13-28	Drinking Water Trust Loan			540,000.00	200,647.00	339,353.00
14-03,13-28	Drinking Water Fund Loan			1,744,862.00	726,803.00	1,018,059.00
14-03,13-28	Drinking Water Trust Loan			259,235.00	259,235.00	-
14-03,13-28	Drinking Water Fund Loan			423,222.00	365,277.00	57,945.00
14-03,13-28	Clean Water Trust Loan			970,000.00	205,341.00	764,659.00
14-03,13-28	Clean Water Fund Loan			3,139,625.00	845,647.00	2,293,978.00
			<u>\$ 1,671,540.00</u>	<u>\$ 7,076,944.00</u>	<u>\$ 3,766,769.00</u>	<u>\$ 4,981,715.00</u>
			D			D

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest Rate	Balance		Increases	Decreases	Balance Dec. 31, 2015
			Outstanding Dec. 31, 2015	Amount		Dec. 31, 2014	Dec. 31, 2015			
Clean Water Trust Loan	12/02/10	160,000.00	2015 to 2030	Sheet 2	5.00%	\$ 145,000.00	\$	5,000.00	\$ 140,000.00	
Clean Water Fund Loan	12/02/10	167,500.00	2015 to 2030	Sheet 2	0.00%	136,271.22	-	8,516.94	127,754.28	
Drinking Water Trust Loan	12/02/10	555,000.00	2015 to 2030	Sheet 2	5.00%	495,000.00	-	20,000.00	475,000.00	
Drinking Water Fund Loan	12/02/10	298,323.00	2015 to 2030	Sheet 2	0.00%	242,703.48	-	15,168.96	227,534.52	
Clean Water Trust Loan	5/03/12	310,000.00	2015 to 2031	Sheet 2	3.00% - 5.00%	290,000.00	-	10,000.00	280,000.00	
Clean Water Fund Loan	5/03/12	337,374.00	2015 to 2031	Sheet 2	0.00%	291,628.40	-	17,154.60	274,473.80	
Drinking Water Trust Loan	5/07/12	153,224.00	2015 to 2031	Sheet 2	0.22% - 3.19%	138,778.00	-	7,256.00	131,522.00	
Drinking Water Fund Loan	5/07/12	150,220.00	2015 to 2031	Sheet 2	0.00%	129,851.20	-	7,638.30	122,212.90	
Drinking Water Trust Loan	5/17/12	255,234.00	2015 to 2031	Sheet 2	0.22% - 3.19%	231,171.00	-	12,087.00	219,084.00	
Drinking Water Fund Loan	5/17/12	736,249.00	2015 to 2031	Sheet 2	0.00%	636,418.65	-	37,436.38	598,982.27	
Clean Water Trust Loan	5/01/13	240,000.00	2015 to 2032	Sheet 2	3.00% - 5.00%	230,000.00	-	10,000.00	220,000.00	
Clean Water Fund Loan	5/01/13	740,000.00	2015 to 2032	Sheet 2	0.00%	677,288.15	-	37,627.11	639,661.04	
Drinking Water Trust Loan	4/03/13	285,000.00	2015 to 2032	Sheet 2	3.00% - 5.00%	275,000.00	-	10,000.00	265,000.00	
Drinking Water Fund Loan	4/03/13	300,928.00	2015 to 2032	Sheet 2	0.00%	274,959.83	-	15,580.90	259,378.93	
Drinking Water Trust Loan	5/21/14	145,000.00	2015 to 2032	Sheet 2	3.00% - 5.00%	145,000.00	-	5,000.00	140,000.00	
Drinking Water Fund Loan	5/21/14	433,143.00	2015 to 2032	Sheet 2	0.00%	418,460.19	-	22,024.21	396,435.98	
Clean Water Trust Loan	5/21/14	90,000.00	2015 to 2032	Sheet 2	3.00% - 5.00%	90,000.00	-	-	90,000.00	
Clean Water Fund Loan	5/21/14	91,545.00	2015 to 2032	Sheet 2	0.00%	88,441.78	-	4,654.83	83,786.95	
Clean Water Trust Loan	5/21/14	95,000.00	2015 to 2033	Sheet 2	3.00% - 5.00%	95,000.00	-	5,000.00	90,000.00	
Clean Water Fund Loan	5/21/14	292,386.00	2015 to 2033	Sheet 2	0.00%	282,474.62	-	14,867.07	267,607.55	
Drinking Water Trust Loan	5/28/15	540,000.00	2016 to 2034	Sheet 2	4.00% - 5.00%	-	540,000.00	-	540,000.00	
Drinking Water Fund Loan	4/17/15	1,744,862.00	2015 to 2034	Sheet 2	0.00%	-	1,744,862.00	59,147.86	1,685,714.14	
Drinking Water Trust Loan	5/28/15	135,000.00	2016 to 2034	Sheet 2	4.00% - 5.00%	-	259,235.00	124,235.00	135,000.00	
Drinking Water Fund Loan	5/28/15	316,006.00	2015 to 2034	Sheet 2	0.00%	-	423,222.00	117,928.06	305,293.94	
Clean Water Trust Loan	5/28/15	970,000.00	2016 to 2034	Sheet 2	4.00% - 5.00%	-	970,000.00	-	970,000.00	
Clean Water Fund Loan	5/28/15	1,089,786.00	2015 to 2034	Sheet 2	0.00%	-	3,139,625.00	2,095,975.89	1,043,649.11	
						D			D	
						\$ 5,313,446.52	\$ 7,076,944.00	\$ 2,662,299.11	\$ 9,728,091.41	

Ref.

Principal Paid
Loan Forgiveness
Total

\$ 371,814.11
2,290,485.00
\$2,662,299.11

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE
TRUST LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 485,308.01	\$ 153,354.30
2017	500,422.01	147,489.62
2018	500,577.01	140,535.16
2019	510,778.01	133,534.16
2020	516,027.01	126,035.32
2021-2025	2,710,613.05	503,444.52
2026-2030	2,938,857.35	267,777.32
2031-2034	<u>1,565,508.96</u>	<u>56,195.28</u>
	<u>\$ 9,728,091.41</u>	<u>\$ 1,528,365.68</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>
9-02, 9-05		
10-07	Construction of Certain Clean Water and Drinking Water Projects	\$ 41,268.00
10-13	Construction of and Improvements to Well #6	41,200.00
11-02	Construction of Certain Clean Water and Drinking Water Projects	93,700.00
12-04	Construction of Certain Clean Water and Drinking Water Projects	111,015.00
13-04	Sewer Main Replacement Hornblower Drive and Bluebeard Drive	12,614.00
13-06	Construction of Certain Clean Water and Drinking Water Projects	207,220.00
13-28	Construction of Certain Clean Water and Drinking Water Projects	596,204.00
14-03	Construction of Certain Clean Water and Drinking Water Projects	226,852.00
14-11	Various Water and Sewer Utility Improvements and Related Expenses	425,000.00
15-12	Construction of Certain Clean Water and Drinking Water Projects	4,200,000.00
		<u>\$ 5,955,073.00</u>

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SINGLE AUDIT SECTION

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND NJ OMB CIRCULAR 15-08**

Honorable Mayor and Members
of the Township Council
Township of Ocean.
County of Ocean
Waretown, New Jersey 08758

Report on Compliance for Each Major Federal and State Program

We have audited Township of Ocean’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of the Township of Ocean’s major federal and state programs for the year ended December 31, 2015. The Township of Ocean’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Ocean’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Ocean’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal or state program. However, our audit does not provide a legal determination of the Township of Ocean’s compliance with those requirements.

Opinion on Each Major Federal or State Program

In our opinion, the Township of Ocean complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended December 31, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance or New Jersey OMB Circular 15-08.

Report on Internal Control over Compliance

Management of the Township of Ocean is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Ocean's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance or New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Ocean's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and New Jersey OMB Circular 15-08

We have audited the financial statements of the Township of Ocean as of and for the year ended December 31, 2015, and have issued our report thereon dated June 28, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 28, 2016

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**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Grantor/Program Title	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Grant Period		Program or Award Amount	Receipts	Expenditures	Cumulative Expenditures
			From	To				
<u>Office of Water, Environmental Protection Agency</u>								
<u>Pass-Through:</u>								
New Jersey Department of Environmental Protection								
Capitalization Grants for Clean Water State Revolving Funds:								
Hornblower Supplemental Project	66.458	42-4860-711-007	2014	Til Finished	\$ 377,588.00	\$ 283,191.00	\$ 283,191.00	\$ 283,191.00
Monclair Road Sewer Improvements	66.458	42-4840-711-008	2014	Til Finished	274,636.50	237,939.75	237,939.75	237,939.75
Water Main Replacement	66.458	42-4860-711-009	2014	Til Finished	433,143.00	344,837.25	344,837.25	344,837.25
Skippers Cover and Pebble Beach Water Main Replacement	66.458	42-4860-711-009	2015	Til Finished	1,744,861.50	726,802.50	726,802.50	726,802.50
Capitalization Grants for Drinking Water State Revolving Funds:								
Pebble Beach WTP and Well #5 Generators	66.468	42-4840-707-041	2015	Til Finished	423,222.00	420,949.50	420,949.50	420,949.50
Pump Station Resiliency and Sewer Main Replacement	66.468	42-4840-707-041	2015	Til Finished	3,139,624.50	804,460.50	804,460.50	804,460.50
Total Office of Water, Environmental Protection Agency						<u>2,818,180.50</u>	<u>2,818,180.50</u>	<u>2,818,180.50</u>
<u>U.S. Department of Housing and Urban Development</u>								
<u>Direct Programs:</u>								
Community Development Block Grant					181,914.77	55,971.56	156,303.00	181,914.77
Hurricane Sandy Community Development Block Grant Disaster Recovery Grant	14.269	022-8022-100-001	2015	FY		<u>55,971.56</u>	<u>156,303.00</u>	<u>181,914.77</u>
Total Department of Housing and Urban Development						<u>\$ 2,874,152.06</u>	<u>\$ 2,974,483.50</u>	<u>\$ 3,000,095.27</u>

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Grantor/Program Title	Grantor's Number	Grant Period		Program or Award Amount	Receipts	Expenditures	Cumulative Expenditures
		From	To				
<u>New Jersey Department of Environmental Protection</u>							
New Jersey Department of Environmental Protection							
Capitalization Grants for Clean Water State Revolving Funds:							
Hornblower Supplemental Project	42-4860-711-007	2014	Til Finished	\$ 125,862.67	\$ 94,397.00	\$ 94,397.00	\$ 739,999.50
Monclair Road Sewer Improvements	42-4860-711-007	2014	Til Finished	91,545.50	79,313.25	79,313.25	739,999.50
Water Main Replacement	42-4860-711-007	2014	Til Finished	144,381.00	114,945.75	114,945.75	739,999.50
Skippers Cover and Pebble Beach Water Main Replacement	42-4860-711-007	2015	Til Finished	581,620.50	242,267.50	242,267.50	739,999.50
Capitalization Grants for Drinking Water State Revolving Funds:							
Pebble Beach WTP and Well #5 Generators	42-4860-711-007	2015	Til Finished	141,074.00	140,316.50	140,316.50	739,999.50
Pump Station Resiliency and Sewer Main Replacement	42-4860-711-007	2015	Til Finished	1,046,541.50	268,153.50	268,153.50	739,999.50
Total Office of Water, Environmental Protection Agency				939,393.50	939,393.50	939,393.50	4,439,997.00
<u>Department of Transportation</u>							
Direct Program:							
NJDOT - Caldwell	078-6320-480-ALL	2013 FY		165,000.00	41,340.69	1,680.00	160,777.16
Total Department of Justice					41,340.69	1,680.00	160,777.16
<u>Clean Communities</u>							
Direct Program:							
Clean Communities	Not Available	2014 FY		18,720.69	-	18,720.69	18,720.69
<u>Municipal Alliance</u>							
Direct Programs:							
Municipal Alliance	Not Available	2012 FY		260.00	-	260.00	260.00
Municipal Alliance FY 2015	Not Available	2014 FY		34,036.00	-	15,011.64	34,036.00
Total Department of Housing and Urban Development					-	15,271.64	34,296.00
				\$ 980,734.19	\$ 975,065.83	\$ 4,653,790.85	

**TOWNSHIP OF OCEAN – COUNTY OF OCEAN
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

YEAR ENDED DECEMBER 31, 2015

Note 1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Township of Ocean. The Township is defined in the notes to the financial statements, Note 1.

Note 2. Basis of Accounting

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

Note 3. Program Costs

The amounts shown as current year expenditures represent only the federal or state grant portion of the program costs. Entire program costs, including the Township’s portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* or New Jersey OMB Circular 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 4. Relationship to Financial Statements – Statutory Basis

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

	State	Federal	Total
State & Federal Grant Fund	\$ 35,672.33	\$ 156,303.00	\$ 191,975.33
Utility Capital	939,393.50	2,818,180.50	3,757,574.00
Total	\$ 975,065.83	\$ 2,974,483.50	\$ 3,949,549.33

Note 5. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agrees with the amounts reported in the related federal financial reports.

**TOWNSHIP OF OCEAN – COUNTY OF OCEAN
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015**

Note 6. Major Programs

Major programs are identified in the Schedule of Findings and Questioned Costs section.

Note 7. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Township's grant program for economy, efficiency and program results. However, the Township administration does not believe such audits would result in material amounts of disallowed costs.

Note 8. Indirect Costs

The amount expended includes amounts claimed as an indirect cost recovery using an approved indirect cost rate of percent. The Township has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Section 1 - Summary of Auditor's Results

Financial Statement Section

- A) Type of auditor's report issued: Regulatory Basis - Qualified for LOSAP
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? Yes X No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? Yes X No
- C) Noncompliance material to financial statements noted? Yes X No

Federal Awards Section

- D) Internal control over compliance:
- 1) Material weakness(es) identified? Yes X No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? Yes X No
- E) Type of auditor's report issued on compliance for major programs? Unmodified
- F) Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200 (Uniform Guidance) Yes X No
- G) Identification of major programs:

CFDA Number(s)

66.468

Name of Federal Program or Cluster

Capitalization Grants for Drinking Water

State Revolving Funds

- H) Dollar threshold used to distinguish between Type A and Type B programs? \$750,000.00
- I) Auditee qualified as low-risk auditee? X Yes No

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Section I - Summary of Auditor's Results (continued)

State Awards Section

J) Internal control over compliance:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

K) Type of auditor's report issued on compliance for major programs? Unmodified

L) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? _____ Yes X No

M) Identification of major programs:

GMS Number(s)

42-4860-711-007

Name of State Program

NJEIT - Capitalization Grants for Drinking
Water State Revolving Funds

N) Dollar threshold used to distinguish between Type A and Type B programs?

\$750,000.00

O) Auditee qualified as low-risk auditee?

_____ Yes X No

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Section II – Financial Statement Findings

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

No Current Year Findings

Section III - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by 2 CFR Section 200 (Uniform Guidance).

No Current Year Findings

Section IV – State Financial Assistance Findings & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of the Uniform Guidance and New Jersey OMB's Circular Letter 15-08.

No Current Year Findings

**TOWNSHIP OF OCEAN - COUNTY OF OCEAN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards* or by 2 CFR Section 200 (Uniform Guidance).

***Finding 2014-01:**

Recommendation:

We recommend that the Township pay employees in accordance with the approved General Code.

Current Status:

This condition has been corrected.

**TOWNSHIP OF OCEAN
COUNTY OF OCEAN**

PART II

COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

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The Honorable Mayor and Members of the
Township Committee
Township of Ocean
County of Ocean
Ocean Township, New Jersey 08758

We have audited the financial statements and transactions of the Township of Ocean in the County of Ocean for the year ended December 31, 2015. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 for the period of January 1, 2015 to June 30, 2015, and \$40,000 for the period of July 1, 2015 to December 31, 2015, except by contract or agreement.

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

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

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

The compliance review of expenditures did not reveal any individual payments of contracts in excess of the statutory limit 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:11-4*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 (\$6,000) thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

N.J.S.A.A54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 2, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF OCEAN, COUNTY OF OCEAN, STATE OF NEW JERSEY, as follows:

- 1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after the due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after the due date; and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against said delinquency.
- 2. Effective January 1, there will be a 10-day grace period of quarterly tax payments made by cash, check or money order.
- 3. Any payments not made in accordance with Paragraph 2 of this resolution shall be charged interest from the due date as set forth in Paragraph 1 of this resolution.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 included 2014 and 2013 real estate taxes.

The last tax sale was held on October 26, 2015 and was complete except for those properties in bankruptcy.

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

YEAR	NUMBER OF LIENS
2015	59
2014	59
2013	50

Deductions From Taxes

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

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Municipal Court

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

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

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year findings. Corrective action has been taken on all of the prior year findings.

OFFICIALS IN OFFICE

The following officials were in office at December 31, 2015:

NAME	TITLE
Tina Wetter	Mayor
Dennis Tredy	Deputy Mayor
Daniel Collamer	Committeeman
Diane Ambrosio	Municipal Clerk
Michele Giardino	Deputy Clerk
Vacant	Chief Financial Officer
Mary Blood	Qualified Purchasing Agent
Marleen Miller	Treasurer
Crystal Brinson	Tax Collector
Phillip M. Miller	Magistrate
Debra Ann Wight	Court Administrator
Steven Millette	Deputy Court Clerk
Gregory P. McGuckin	Municipal Attorney

All employees are covered by a Blanket Bond of \$1,000,000, of which \$950,000 is provided as part of the Ocean County Joint Insurance Fund and \$50,000 through the Municipal Excess Liability Joint Insurance Fund. The coverage also has a \$2,500 deductible per each loss.

All of the bonds were examined and appear to be properly executed.

Acknowledgement

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Allison', with a long horizontal stroke extending to the left.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 28, 2016