

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY**

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

**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN, NEW JERSEY**

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COUNTY OF OCEAN, NEW JERSEY**

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**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Point Pleasant Borough
County of Ocean
Point Pleasant, New Jersey

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 Point Pleasant Borough, 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, Point Pleasant Borough 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 Point Pleasant Borough, 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 Borough’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 Borough’s Trust Fund, and represent 27.36% and 27.58% of the assets and liabilities, respectively, of the Borough’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 Point Pleasant Borough, 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 Borough 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 is 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 is also not a required part of the above financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016 on our consideration of Point Pleasant Borough'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 Point Pleasant Borough'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

Toms River, New Jersey
June 29, 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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of Point Pleasant Borough (herein referred to as “the Borough”), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated June 29, 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. Further, our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. The LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the year ended December 31, 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 Borough's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness as Finding 2015-01.

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 identified one deficiency in internal control that we consider to be a material weaknesses. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2015-02 and 2015-03 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is 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 and is noted in the accompanying Schedule of Findings and Questioned Costs as Finding 2015-03.

Response to Findings

The Borough's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs section. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.



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

Toms River, New Jersey
June 29, 2016

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF POINT PLEASANT
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Regular Fund:			
Cash:			
Treasurer	A-4	17,703,988	\$ 15,006,814
Change Fund	A	550	550
Petty Cash Funds	A	-	691
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A	26,967	26,358
Total Regular Fund		<u>17,731,505</u>	<u>15,034,413</u>
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-5	1,009,435	1,404,053
Tax Title Liens Receivable	A-6	38,355	19,657
Revenue Accounts Receivable	A-7	13,515	14,303
Due From Interfunds:			
State & Federal Grant Fund	A-12	98,924	90,924
Other Trust		106	-
Total Receivables & Other Assets With Full Reserves		<u>1,160,335</u>	<u>1,528,937</u>
Deferred Charges:			
Community Disaster Loan Program	A	4,113,315	3,820,000
Emergency Authorization	A-3	40,000	-
Special Emergency Authorizations	A-14	-	464,509
Total Deferred Charges		<u>4,153,315</u>	<u>4,284,509</u>
Total Regular Fund, Receivables, Other Assets With Full Reserves & Deferred Charges		<u>23,045,155</u>	<u>20,847,859</u>
State & Federal Grants:			
Cash	A-4	4,811	1,185
Grants Receivable	A-15	482,314	413,496
Total State & Federal Grants		<u>487,125</u>	<u>414,681</u>
Total Assets		<u>\$ 23,532,280</u>	<u>\$ 21,262,540</u>

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2015	2014
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-8	\$ 558,997	\$ 409,829
Reserve for Encumbrances	A-3,A-4,A-8	646,280	765,998
Accounts Payable	A	158,147	79,382
Tax Overpayments	A-5	96,438	82,470
Prepaid Taxes	A-4,A-5	607,587	518,942
County Tax Payable	A-10	76,794	28,846
Community Disaster Loan Payable	A	4,113,315	3,820,000
Local District School Tax Payable	A-9	9,935,444	9,538,823
Special Emergency Note Payable	A-13	-	464,509
Miscellaneous Reserves:			
Reserve For Superstorm Sandy	A-11	319,921	-
Sale of Municipal Assets	A-11	1,603,205	6,001
Due to State of NJ - Marriage License Fees	A-11	457	625
Due to State of NJ - DCA Training Fees	A-11	18,430	8,086
Subtotal		18,135,015	15,723,511
Reserve for Receivables & Other Assets	A	1,160,335	1,528,937
Fund Balance	A-1	3,749,805	3,595,411
Total Regular Fund		23,045,155	20,847,859
State & Federal Grants:			
Reserve for Grants Appropriated	A-16	341,017	302,830
Reserve for Grants Unappropriated	A-17	19,126	10,778
Reserve for Encumbrances	A-16	28,058	10,149
Due Current Fund	A-12	98,924	90,924
Total State & Federal Grants		487,125	414,681
Total Liabilities, Reserves & Fund Balance		\$ 23,532,280	\$ 21,262,540

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 2,200,000	\$ 100,000
Miscellaneous Revenue Anticipated	2,939,527	4,931,971
Receipts From Delinquent Taxes & Tax Title Liens	1,316,265	1,862,840
Receipts From Current Taxes	60,751,061	58,642,131
Nonbudget Revenue	507,046	656,078
Other Credits to Income:		
Cancellation of Accounts Payable	-	113
Unexpended Balance of Appropriation Reserves	532,599	229,905
Total	68,246,498	66,423,038
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	6,936,054	6,585,492
Other Expenses	6,088,370	5,814,039
Deferred Charges & Statutory Expenditures	1,562,681	1,515,184
Excluded From "CAPS":		
Operations:		
Other Expenses	680,258	533,045
Capital Improvements	110,000	110,000
Municipal Debt Service	2,355,442	2,912,190
Deferred Charges	405,998	306,374
County Taxes	13,650,734	13,215,777
Due County for Added & Omitted Taxes	77,248	28,846
Local District School Tax	33,968,308	33,175,062
Municipal Open Space Tax	64,224	65,142
Interfunds Advanced	8,106	90,415
Tax Appeal Refund	22,380	-
Refund of Prior Year Revenues	1,610	-
Miscellaneous Results of Operations	691	-
Total Expenditures	65,932,104	64,351,566
Excess/Deficit in Revenue	2,314,394	2,071,472
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	40,000	-
Statutory Excess to Fund Balance	2,354,394	2,071,472
Fund Balance January 1	3,595,411	1,623,939
Total	5,949,805	3,695,411
Decreased by: Utilization as Anticipated Revenue	2,200,000	100,000
Fund Balance December 31	\$ 3,749,805	\$ 3,595,411

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	13,000	-	13,699	699
Fees & Permits:				
Uniform Construction Code Fees	400,000	-	539,658	139,658
Other	35,000	-	58,217	23,217
Fines & Costs:				
Municipal Court	140,000	-	180,741	40,741
Interest & Costs on Taxes	250,000	-	226,713	(23,287)
Interest on Investments & Deposits	10,000	-	37,311	27,311
Energy Receipts Tax	1,202,493	-	1,220,709	18,216
Consolidated Municipal Property				
Tax Relief Act	25,083	-	6,867	(18,216)
FEMA Reimbursement	206,750	-	206,750	-
Clean Communities Program	-	42,523	42,523	-
Click It or Ticket Grant	-	4,000	4,000	-
Cops In Shops	-	2,000	2,000	-
Bullet Proof Vest	-	6,518	6,518	-
Drive Sober or Get Pulled Over	-	10,000	10,000	-
Pedestrian Safety Education & Enforcement	4,628	-	4,628	-
Over the Limit Grant	4,377	-	4,377	-
Alcohol Education & Rehabilitation Fund	1,772	-	1,772	-
Reserve for Repayment of Debt	18,604	-	18,604	-
SRPR Grant	-	30,000	30,000	-
FEMA - Emergency Generator	-	262,650	262,650	-
FEMA -Sandy Reimbursement	-	58,512	58,512	-
Body Armor Replacement Fund	-	3,278	3,278	-
Total Miscellaneous Revenues	2,311,707	419,481	2,939,527	208,339
Receipts From Delinquent Taxes	1,100,000	-	1,316,265	216,265
Subtotal General Revenues	5,611,707	419,481	6,455,792	424,604
Local Tax for Municipal Purposes	13,801,544	-	14,711,452	909,908
Budget Totals	19,413,251	419,481	21,167,244	1,334,512
Nonbudget Revenues	-	-	507,046	507,046
Total	\$ 19,413,251	\$ 419,481	\$ 21,674,290	\$ 1,841,558

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 60,751,061
Less: Allocated for School, County Taxes & Open Space Taxes	<u>47,760,514</u>
Total Allocation of Current Tax Collections	12,990,547
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>1,720,905</u>
Total Amount for Support of Municipal Budget Appropriation	<u>\$ 14,711,452</u>
Delinquent Property Taxes Receivable	<u>1,316,265</u>
Total Receipts From Delinquent Taxes	<u>\$ 1,316,265</u>
Fees & Permits:	
Zoning Board Permits	\$ 13,525
Tax Search Fees	22
Planning Board Permits	11,690
Board of Health Permits	28,290
Other Permits and Fees	<u>4,690</u>
Total Fees & Permits	<u>\$ 58,217</u>

ANALYSIS OF NONBUDGET REVENUES

Recycling	\$ 19,699
Cell Tower Rental	149,367
Cable TV Fees	76,000
Grading and Drainage	24,649
Refund of Prior Year Expenditures	40,219
Hurricane Sandy Reimbursement	65,616
Sale of Assets	98,424
Tax Sale Premium	11,600
Beach Tags	4,220
Miscellaneous Other	<u>17,252</u>
Nonbudget Revenue	<u>\$ 507,046</u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
General Government Functions:						
General Administration:						
Salaries and Wages	\$ 61,475	\$ 52,625	\$ 50,945	\$ -	\$ 1,680.00	\$ -
Other Expenses	163,500	163,500	129,068	31,489	2,943	-
Mayor & Council:						
Salaries and Wages	14,040	14,040	13,826	-	214	-
Municipal Clerk:						
Salaries and Wages	135,756	136,856	136,796	-	60	-
Other Expenses	12,100	16,600	13,078	-	3,522	-
Financial Administration						
(Treasury):						
Salaries and Wages	86,174	83,174	82,944	-	230	-
Other Expenses	10,500	10,500	2,934	3,639	3,927	-
Audit Services:						
Annual Audit	55,000	55,000	22,663	2,337	30,000	-
Revenue Administration						
(Tax Collector):						
Salaries and Wages	63,262	63,262	63,261	-	1	-
Other Expenses	26,000	26,000	19,622	3,479	2,899	-
Tax Assessor:						
Salaries and Wages	153,366	153,366	153,359	-	7	-
Other Expenses	5,244	5,244	2,449	175	2,620	-
Cost of Tax Appeals	3,000	3,000	101	-	2,899	-
Legal Services:						
Other Expenses	175,000	250,000	191,425	27,187	31,388	-
Engineering Services & Costs:						
Other Expenses	100,000	140,000	138,273	1,476	251	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	8,500	9,500	8,698	-	802	-
Other Expenses	15,550	15,550	8,286	4,840	2,424	-
Zoning Board of Adjustment:						
Salaries and Wages	8,500	8,500	8,500	-	-	-
Other Expenses	8,570	14,670	8,107	6,563	-	-
Zoning Officer:						
Salaries and Wages	105,463	100,463	97,176	-	3,287	-
Other Expenses	3,600	3,600	498	671	2,431	-
Insurance:						
Unemployment Insurance	60,000	40,000	40,000	-	-	-
Liability Insurance	187,000	187,000	181,000	-	6,000	-
Workers' Compensation						
Insurance	217,161	217,161	210,000	-	7,161	-
Employee Group Insurance	1,860,000	1,796,526	1,713,205	180	83,141	-
Group Health Waivers	8,500	8,500	5,279	-	3,221	-
Public Safety Functions:						
Police:						
Salaries and Wages	4,447,624	4,354,124	4,301,671	-	52,453	-
Other Expenses	328,572	328,572	234,477	64,653	29,442	-
Purchase of Police Vehicles	12,000	1,000	-	-	1,000	-
Emergency Management Services:						
Salaries and Wages	3,500	500	389	-	111	-
Other Expenses	4,250	4,250	480	2,953	817	-
Aid to Volunteer Fire Companies:						
Other Expenses	62,785	62,785	62,785	-	-	-
Fire Station No. 75	90,000	90,000	90,000	-	-	-
Aid to Volunteer Ambulance Companies:						
Other Expenses	90,000	90,000	90,000	-	-	-
Public Works Functions:						
Road Repairs & Maintenance:						
Salaries and Wages	1,170,498	1,154,498	1,149,921	-	4,577	-
Other Expenses	179,200	179,200	137,870	27,441	13,889	-

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
Other Public Works Functions:						
Recycling:						
Salaries and Wages	4,500	7,000	4,958	-	2,042	-
Other Expenses	228,000	255,000	239,557	14,443	1,000	-
Solid Waste Collection:						
Contractual	545,000	545,000	498,500	41,500	5,000	-
Building & Grounds:						
Other Expenses	26,500	26,500	20,263	4,774	1,463	-
Community Services Act:						
Other Expenses	135,000	195,000	120,495	73,565	940	-
Health & Human Services:						
Board of Health:						
Salaries and Wages	63,982	68,982	67,822	-	1,160	-
Other Expenses	2,145	2,145	1,867	220	58	-
Environmental Commission:						
Salaries and Wages	1,200	1,200	356	-	844	-
Other Expenses	1,170	1,170	390	315	465	-
Animal Control Program:						
Other Expenses	34,000	34,000	32,500	-	1,500	-
Park & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	267,292	271,292	266,308	-	4,984	-
Other Expenses	22,095	22,095	18,053	1,656	2,386	-
Utility Expense & Bulk Purchases:						
Electricity	110,000	110,000	70,612	29,388	10,000	-
Street Lighting	145,000	135,000	83,413	41,587	10,000	-
Telephone	40,000	40,000	33,213	6,748	39	-
Gasoline	140,000	130,000	85,989	23,386	20,625	-
Natural Gas	14,000	14,000	7,327	6,604	69	-
Landfill/Solid Waste Disposal Costs:						
Landfill Dumping Fees	630,000	630,000	534,051	58,449	37,500	-
Municipal Court:						
Salaries and Wages	28,543	28,543	28,543	-	-	-
Other Expenses	8,050	8,050	1,900	100	6,050	-
Public Defender:						
Other Expenses	8,000	8,000	5,100	800	2,100	-
State Uniform Construction Code:						
Construction Code Official:						
Salaries and Wages	433,129	428,129	422,103	-	6,026	-
Other Expenses	11,000	11,000	3,675	5,844	1,481	-
Other Common Operating Functions:						
Salary Adjustments	40,000	-	-	-	-	-
Sick Pay Payouts	147,810	187,810	154,378	-	33,432	-
Blood Borne Pathogens- Hepatitis B:						
Prior Year Bills- 2014 KRS Consulting	33,842	23,842	14,813	1,815	7,214	-
Prior Year Bills- 2014 KRS Barnegat Bay	30,000	-	-	-	-	-
Judgements	100	100	-	-	100	-
Prior Year Bills:						
Contingent	1,000	1,000	-	-	1,000	-
Total Operations Within "CAPS"						
Including Contingent	13,087,048	13,024,424	12,085,272	488,277	450,875	-
Detail:						
Salaries and Wages	7,216,071	6,936,054	6,857,576	-	78,478	-
Other Expenses	5,870,977	6,088,370	5,227,696	488,277	372,397	-

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
Deferred Charges & Statutory Expenditures						
Municipal Within "CAPS":						
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	530,000	525,000	504,097	-	20,903	-
Public Employees' Retirement System	252,434	252,434	240,435	-	11,999	-
Police & Firemen's Retirement System	783,247	783,247	773,247	-	10,000	-
Defined Contribution Retirement Program	2,000	2,000	1,780	-	220	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	1,567,681	1,562,681	1,519,559	-	43,122	-
Total General Appropriations for Municipal Purposes Within "CAPS"	14,654,729	14,587,105	13,604,831	488,277	493,997	-
Operations Excluded From "CAPS":						
LOSAP	95,000	95,000	-	95,000	-	-
Shared Services Agreement:						
Municipal Court - Borough of Point Pleasant Beach	50,000	50,000	-	50,000	-	-
Other Expenses Borough of Point Pleasant Uniform Const. Code	50,000	50,000	-	-	50,000	-
Tax Office, Barnegat Light	45,000	45,000	26,997	13,003	5,000	-
Public & Private Programs Offset by Revenues:						
Matching Fund for Grants	10,000	10,000	-	-	10,000	-
Clean Communities Program	-	42,523	42,523	-	-	-
Over the Limit Grant	4,377	4,377	4,377	-	-	-
Pedestrian Safety Grant	4,628	4,628	4,628	-	-	-
Alcohol Education & Rehabilitation Fund	1,772	1,772	1,772	-	-	-
SRPR Grant	-	30,000	30,000	-	-	-
FEMA - Emergency Generator	-	262,650	262,650	-	-	-
FEMA	-	58,512	58,512	-	-	-
Body Armor Grant	-	3,278	3,278	-	-	-
Bullet Proof Vest	-	6,518	6,518	-	-	-
Drive Sober or Get Pulled Over	-	10,000	10,000	-	-	-
Cops In Shops	-	2,000	2,000	-	-	-
Click It or Ticket	-	4,000	4,000	-	-	-
Total Operations Excluded from "CAPS"	260,777	680,258	457,255	158,003	65,000	-
Detail:						
Other Expenses						
Capital Improvements-Excluded from "CAPS":						
Capital Improvement Fund	110,000	110,000	110,000	-	-	-
Total Capital Improvements Excluded From "CAPS"	110,000	110,000	110,000	-	-	-

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

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,880,000	1,880,000	1,870,000	-	-	10,000
Interest on Bonds	420,466	420,466	420,465	-	-	1
Interest on Notes	60,000	68,000	64,977	-	-	3,023
Total Municipal Debt Service Excluded From "CAPS"	2,360,466	2,368,466	2,355,442	-	-	13,024
Deferred Charges - Municipal - Excluded from "CAPS":						
Deferred Charge:						
Special Emergency Authorization	306,374	405,998	405,998	-	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS":	306,374	405,998	405,998	-	-	-
Total General Appropriations for Municipal Purposes Excluded from CAPS	3,037,617	3,564,722	3,328,695	158,003	65,000	13,024
Subtotal General Appropriations	17,692,346	18,151,827	16,933,526	646,280	558,997	13,024
Reserve For Uncollected Taxes	1,720,905	1,720,905	1,720,905	-	-	-
Total General Appropriations	\$ 19,413,251	\$ 19,872,732	\$ 18,654,431	\$ 646,280	\$ 558,997	\$ 13,024
Adopted Budget		\$ 19,413,251				
Chapter 159		419,481				
Deferred Charge - Emergency Authorization		40,000				
Total		\$ 19,872,732				
Interfunds:						
Federal & State Grant Fund			\$ 430,258			
Reserve for Uncollected Taxes			1,720,905			
Deferred Charges			405,998			
Disbursements			16,097,270			
Total			\$ 18,654,431			

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

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**BOROUGH OF POINT PLEASANT
TRUST FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Animal Control Trust Fund:			
Cash	B-1	\$ 12,868	\$ 1,281
Change Fund	B	25	25
Total Animal Control Fund		<u>12,893</u>	<u>1,306</u>
Open Space Trust Fund:			
Cash	B-1	267,273	255,489
Total Open Space Trust		<u>267,273</u>	<u>255,489</u>
Other Trust Fund:			
Cash	B-1	2,113,317	2,173,557
Total Other Trust		<u>2,113,317</u>	<u>2,173,557</u>
Length of Service Awards Program Fund: (LOSAP) ("LOSAP") - Unaudited Funds Held by Trustee			
	B-7	901,971	925,379
Total LOSAP		<u>901,971</u>	<u>925,379</u>
Total - All Funds		<u>\$ 3,295,454</u>	<u>\$ 3,355,731</u>
LIABILITIES & RESERVES			
Animal Control Trust Fund:			
Due to the State of NJ	B-2	\$ -	\$ 2
Reserve for Expenditures	B-3	12,893	1,304
Total Dog License Fund		<u>12,893</u>	<u>1,306</u>
Open Space Trust Fund:			
Reserve for Open Space	B-4	267,273	255,489
Total Open Space Trust		<u>267,273</u>	<u>255,489</u>
Other Trust Fund:			
Due to Board of Education	B	2,321	2,321
Due to Current Fund	B-1	106	-
Various Reserves	B-6	2,110,890	2,171,236
Total Other Trust		<u>2,113,317</u>	<u>2,173,557</u>
Length of Service Awards Program Fund: (LOSAP) ("LOSAP") - Unaudited Reserve for Length of Service Awards Program			
	B-8	901,971	925,379
Total LOSAP		<u>901,971</u>	<u>925,379</u>
Total - All Funds		<u>\$ 3,295,454</u>	<u>\$ 3,355,731</u>

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

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**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Cash	C-2	\$ 4,269,985	\$ 220,270
Deferred Charges to Future Taxation:			
Unfunded	C-5	3,247,340	9,058,609
Funded	C-4	18,449,315	13,049,621
Total		\$ 25,966,640	\$ 22,328,500
LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds	C-9	\$ 18,225,000	\$ 12,795,000
Green Acres Loan Payable	C-10	224,315	254,621
Bond Anticipation Notes Payable	C-7	3,500,000	4,680,000
Capital Improvement Fund	C-6	146,781	80,152
Improvement Authorizations:			
Unfunded	C-8	1,643,784	2,206,505
Funded	C-8	1,135,453	1,471,400
Reserve for Encumbrances	C-8	915,130	756,508
Reserve for Payment of Debt	C	-	18,604
Reserve for Debt Service	C	98,228	-
Reserve for Bay Point Harbor	C	-	10,000
Reserve for Police Department	C	-	25,000
Fund Balance	C-1	77,949	30,710
Total		\$ 25,966,640	\$ 22,328,500

There were bonds and notes authorized but not issued on December 31, 2015 of \$1,489,004 and on December 31, 2014 was \$4,378,610.

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**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Operating Fund:			
Cash	D-5	\$ 1,220,744	\$ 1,271,984
Cash - Change Fund	D	300	300
Due From Utility Capital Fund	D	-	100,000
Total		<u>1,221,044</u>	<u>1,372,284</u>
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-7	474,318	686,512
Total Receivable & Other Assets With Full Reserves		<u>474,318</u>	<u>686,512</u>
Deferred Charges:			
Emergency Appropriation	D	-	122,500.00
Community Disaster Loan Program	D	703,909	652,147
Total Deferred Charges		<u>703,909</u>	<u>774,647</u>
Total Operating Fund		<u>2,399,271</u>	<u>2,833,443</u>
Capital Fund:			
Cash	D-5	2,658,103	44,642
Fixed Capital Authorized & Uncompleted	D-12	11,313,645	10,637,245
Fixed Capital	D-13	30,197,184	30,197,184
Total Capital Fund		<u>44,168,932</u>	<u>40,879,071</u>
Total Operating & Capital Fund		<u>\$ 46,568,203</u>	<u>\$ 43,712,514</u>

Bonds and Notes authorized but not issued as of December 31, 2015 was \$1,527,370 and as of December 31, 2014 was \$4,128,028.

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2015	2014
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4,D-9	95,462	\$ 247,715
Community Disaster Loan Payable	D	703,909	652,147
Accounts Payable	D	69,695	16,468
Reserve for Encumbrances	D-4,D-5	258,360	171,743
Consumer Overpayments	D	12,298	13,203
Prepaid Rents	D	12,593	5,534
Accrued Interest on Bonds & Notes	D-9	76,450	69,246
Subtotal		<u>1,228,767</u>	<u>1,176,056</u>
Reserve for Receivables	D	474,318	686,512
Fund Balance	D-1	696,186	970,875
Total Operating Fund		<u>2,399,271</u>	<u>2,833,443</u>
Capital Fund:			
Serial Bonds	D-17	5,345,000	4,365,000
NJEIT Loan Payable:			
Trust Loan	D-18	390,000	-
Fund Loan	D-19	376,317	-
Bond Anticipation Notes	D-20	3,200,000	1,360,000
Improvement Authorizations:			
Funded	D-16	1,145,335	1,133,022
Unfunded	D-16	862,821	1,113,493
Reserves for:			
Amortization	D-15	31,560,195	30,560,585
Deferred Amortization	D-14	420,816	420,816
Encumbrances	D-16	670,313	1,652,420
Capital Improvement Fund	D-11	120,367	155,967
Down Payment on Improvements	D	73,600	13,600
Due to Utility Operating Fund	D-10	-	100,000
Fund Balance	D-2	4,168	4,168
Total Capital Fund		<u>44,168,932</u>	<u>40,879,071</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 46,568,203</u>	<u>\$ 43,712,514</u>

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

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

	2015	2014
Revenue & Other Income Realized:		
Fund Balance Appropriated	\$ 732,226	\$ -
Consumer Accounts Receivable	6,508,361	6,240,513
Interest on Delinquents	46,340	47,245
Miscellaneous	104,431	68,179
Community Disaster Loan Program	-	300,684
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	138,252	254,382
Cancellation of Accounts Payable	4,252	-
	7,533,862	6,911,003
Total Income		
Expenditures:		
Operating	5,920,892	5,342,254
Capital Improvements	60,000	60,000
Debt Service	608,295	885,930
Deferred Charges & Statutory Expenditures	479,934	305,000
Decrease in Accrued Interest	7,204	-
	7,076,325	6,593,184
Total Expenditures		
Excess/Deficit in Revenue	457,537	317,819
Adjustments to Income before Fund Balance:		
Emergency Authorization	-	122,500
	457,537	440,319
Subtotal		
Fund Balance January 1	970,875	530,556
Less: Balance Appropriated	732,226	-
	\$ 696,186	\$ 970,875
Fund Balance December 31		

**STATEMENT OF CAPITAL SURPLUS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014 and 2015	\$ 4,168
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**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 732,226	\$ 732,226	\$ -
Rents	6,240,000	6,508,361	268,361
Interest on Delinquent Accounts	40,000	46,340	6,340
Miscellaneous	59,000	104,431	45,431
	<hr/>		
Total	\$ 7,071,226	\$ 7,391,358	\$ 320,132
	<hr/>		
Miscellaneous			
Tap Fees			\$ 770
On/Off Charges			1,596
Readings/Test			9,379
Other			9,793
Return Check Charge			385
Cost of Tax Sale			25,228
Meter Sale & Repairs			22,757
Connection Fees			3,500
Road Openings			23,500
Interest on Investments			7,523
			<hr/>
Total Miscellaneous			\$ 104,431
			<hr/>

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

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELED
Operating:						
Salaries and Wages	\$ 1,353,648	\$ 1,353,648	\$ 1,308,597	\$ -	\$ 45,051	\$ -
Other Expenses	1,943,106	1,943,106	1,656,344	258,360	28,402	-
Ocean County Utilities Authority	2,624,138	2,624,138	2,614,139	-	9,999	-
Debt Service:						
Payment of Bond Principal	380,000	380,000	380,000	-	-	-
Interest on Bonds	156,400	156,400	156,313	-	-	87
Interest on Notes	17,500	17,500	15,587	-	-	1,913
NJEIT Loan	56,500	56,500	56,395	-	-	105
Capital Improvements:						
Downpayment on Improvements	60,000	60,000	60,000	-	-	-
Deferred Charges:						
Emergency Authorization	122,500	122,500	122,500	-	-	-
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	252,434	252,434	240,434	-	12,000	-
Social Security System (O.A.S.I)	90,000	90,000	89,990	-	10	-
Unemployment Compensation Insurance	15,000	15,000	15,000	-	-	-
Total Expenditures	\$ 7,071,226	\$ 7,071,226	\$ 6,715,299	\$ 258,360	\$ 95,462	\$ 2,105

Cash Disbursements	\$ 6,525,595
Interfund -Utility Capital	60,000
Deferred Charge	122,500
Accrued Interest	7,204
Total	\$ 6,715,299

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**BOROUGH OF POINT PLEASANT
COMPARATIVE GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF GENERAL FIXED ASSETS
DECEMBER 31, 2015 AND 2014**

ASSETS	<u>2015</u>	<u>2014</u>
Land	\$ 22,840,500	\$ 22,840,500
Buildings & Improvements	5,350,400	5,350,400
Equipment & Machinery	3,907,640	2,512,814
Vehicles	<u>6,177,689</u>	<u>6,775,563</u>
Total	<u>\$ 38,276,229</u>	<u>\$ 37,479,277</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 38,276,229</u>	<u>\$ 37,479,277</u>

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

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**BOROUGH OF POINT PLEASANT
PAYROLL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	<u>2015</u>	<u>2014</u>
Cash - Treasurer	F-1	\$ 122,547	\$ 132,215
Total		<u>\$ 122,547</u>	<u>\$ 132,215</u>
 LIABILITIES 			
Payroll Taxes Payable	F-2	\$ 83,133	\$ 58,307
Payroll Reserve		<u>39,414</u>	<u>73,908</u>
Total		<u>\$ 122,547</u>	<u>\$ 132,215</u>

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

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**BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN**

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

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BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

Component Units

The Borough of Point Pleasant had no component units as defined by Governmental Accounting Standards Board Statement No.14 as amended by GASB Statements 39 and 61.

Basis of Accounting, Measurement Focus and Basis of Presentation

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

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

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

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

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

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

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

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

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

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

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

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

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

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

BOROUGH OF POINT PLEASANT

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

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

BOROUGH OF POINT PLEASANT

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

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

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

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

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

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

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Point Pleasant Borough School District. Operations are charged for the full amount required to be raised from taxation to operate the regional high school district the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

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

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

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

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

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

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

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

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

BOROUGH OF POINT PLEASANT

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

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

Impact of Recently Issued Accounting Principles - For the year ended December 31, 2015, the Borough implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statement requires the Borough 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).

Subsequent Events - The Borough of Point Pleasant has evaluated subsequent events occurring after December 31, 2015 through the date of June 29, 2016, which is the date the financial statements were available to be issued.

Note 2. Cash

The Borough is governed by the deposit limitations of New Jersey state law. The Deposits held at December 31, 2015, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	\$ 28,373,454
Total Deposits	<u>\$ 28,373,454</u>
Reconciliation of Comparative Statements of Assets, Liabilities, Reserves and Fund Balance	
Current Fund	\$ 17,703,988
State & Federal Grant Fund	4,811
Animal Control Trust Fund	12,686
Open Space Trust Fund	267,273
Trust Fund - Other	2,113,317
General Capital Fund	4,269,985
Utility Operating Fund	1,220,744
Utility Capital Fund	2,658,103
Payroll	<u>122,547</u>
Total	<u>\$ 28,373,454</u>

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

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. Cash (continued):

However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2015, the Borough's bank balance of \$28,767,105 was exposed to custodial credit risk as follows:

Insured	\$ 268,000
Uninsured and uncollateralized	1,875,262
Collateralized in the Authority's Name Under GUDPA	26,623,843
Total	\$ 28,767,105

Note 3. Investments:

Custodial Credit Risk

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

Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Borough has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2015, are provided in the below schedule.

Investment Credit Risk

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;

BOROUGH OF POINT PLEASANT

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

Note 3. Investments (continued):

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

As of December 31, 2015, the Authority had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Total Reported Value</u>
LOSAP	\$ 901,971	901,971	<u>\$ 901,971</u>
Total			<u>\$ 901,971</u>

Note 4. Accounts Receivable

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes 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 Borough's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>Current Fund</u>	<u>State & Federal Grant Fund</u>	<u>Water-Sewer Utility Fund</u>	<u>Total</u>
Federal & State Aid	\$ -	\$ 482,314	\$ -	\$ 482,314
Taxes	1,047,790	-	-	1,047,790
Utility Rents	-	-	474,318	474,318
Other	13,515	-	-	13,515
Total	<u>\$ 1,061,305</u>	<u>\$ 482,314</u>	<u>\$ 474,318</u>	<u>\$ 2,017,937</u>

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 5. Property Taxes

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

Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	<u>\$1.485</u>	<u>\$1.871</u>	<u>\$1.801</u>
Apportionment of Tax Rate:			
Municipal	0.430	0.424	0.418
Municipal Open Space	0.002	0.002	0.002
County	0.425	0.412	0.397
Local School	1.058	1.033	0.984

Net Valuation Taxable:

2015	<u>\$ 3,211,176,410</u>	
2014		<u>\$ 3,211,392,070</u>
2013		<u>\$ 3,214,974,138</u>

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$ 61,853,741	\$ 60,751,061	98.22%
2014	60,236,252	58,642,131	97.35%
2013	57,972,061	55,828,445	96.30%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2015	\$ 38,355	\$ 1,009,436	\$ 1,047,791	1.69%
2014	19,657	1,404,053	1,423,710	2.36%
2013	19,260	1,892,345	1,911,605	3.30%

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Water/Sewer Utility Service Charges

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

WATER/SEWER UTILITY

YEAR ENDED DECEMBER 31	BEGINNING RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2015	\$ 686,512	\$ 6,296,167	\$ 6,982,679	\$ 6,508,085	93.20%
2014	1,007,684	5,791,177	6,798,861	6,112,349	89.90%
2013	1,024,210	6,084,490	7,108,700	6,091,268	85.69%

Note 7. Interfund Balances

Balances due to/from other funds at December 31, 2015 consist of the following:

	Due From	Due To
Current Fund	\$ 99,030	\$ -
Grant Fund	-	98,924
Other Trust Fund	-	106
	<u>\$ 99,030</u>	<u>\$ 99,030</u>

The summary of interfund transfers follows:

Fund	Due From	Due To
Current Fund	\$ 828,987	\$ 820,881
Grant Fund	710,770	718,770
Other Trust Fund	-	106
Capital Fund	110,000	110,000
Utility Operating	-	100,000
Utility Capital	100,000	-
	<u>\$ 1,749,757</u>	<u>\$ 1,749,757</u>

The purpose of these interfunds is short-term borrowings.

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Fixed Assets

The following is a summary of the Fixed Asset Account Group for the year 2015:

	Balance December 31, 2014	Additions	Deletions/ Adjustments	Balance December 31, 2015
General Fixed Assets Account Group:				
Land	\$ 22,840,500	\$ -	\$ -	\$ 22,840,500
Buildings and Improvements	5,350,400	-	-	5,350,400
Equipment and Machinery	2,512,814	1,527,419	(132,593)	3,907,640
Vehicles	6,775,563	151,913	(749,787)	6,177,689
Water-Sewer Utility Fund:				
Fixed Capital	30,197,184	-	-	30,197,184
Fixed Capital Authorized and Uncompleted	10,637,245	676,400	-	11,313,645
	<u>\$ 78,313,706</u>	<u>\$ 2,355,732</u>	<u>\$ (882,380)</u>	<u>\$ 79,787,058</u>

Note 9. Debt

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

A. Long-Term Debt

General Capital Fund

During the fiscal year ended December 31, 2015 the following changes occurred in General Capital debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
General Serial Bonds	\$ 12,795,000	\$ 7,300,000	\$ (1,870,000)	\$ 18,225,000	\$ 1,630,000
Bond Anticipation Notes	4,680,000	3,500,000	(4,680,000)	3,500,000	3,500,000
Green Acres Loan Payable	254,621	-	(30,306)	224,315	30,916
Total	<u>\$ 17,729,621</u>	<u>\$ 10,800,000</u>	<u>\$ (6,580,306)</u>	<u>\$ 21,949,315</u>	<u>\$ 5,160,916</u>

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 9. Debt (continued):

A. Long Term Debt (continued):

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

General Capital Fund

Bonds Payable:

In July 2010, the Borough issued \$14,890,000 general obligation bonds for general improvements. The annual maturities range from \$765,000 to \$1,480,000 through 2024, interest rates ranging from 2.000% to 4.000% \$10,925,000

In November 2015, the Borough issued \$7,300,000 general obligation bonds for general improvements. The annual maturities range from \$730,000 to \$1,220,000 through 2025, interest rates ranging from 2.000% to 4.000% 7,300,000

Total \$18,225,000

Loans Payable:

On November 20, 2000, the Borough received a \$148,836 loan under the Green Trust Loan Program for River and Maxon Avenue Beach Development. The loan is due in semi-annual installments ranging from \$3,689 to \$4,582 through 2020, interest rate at 2.00% \$ 43,828

On October 24,2000, the Borough received a \$305,000 loan under the Green Trust Loan Program for McKenna Lake. The loan is due in semi-annual installments ranging from \$7,928 to \$9,389 through 2020, interest rate at 2.00% 89,815

On November 1,2010, the Borough received a \$113,000 loan under the Green Trust Loan Program for Riverfront Park. The loan is due in semi-annual installments ranging From \$2,407 to \$3,479 through 2030, interest rate at 2.00% 90,672

Total \$ 224,315

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 9. Debt (continued):

A. Long Term Debt (continued):

Water-Sewer Utility Capital Fund

During the fiscal year ended December 31, 2015 the following changes occurred in Water-Sewer Capital debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
Serial Bonds	\$ 4,365,000	\$ 1,360,000	\$ (380,000)	\$ 5,345,000	\$ 290,000
Bond Anticipation Notes	1,360,000	3,200,000	(1,360,000)	3,200,000	3,200,000
NJEIT Loans	-	816,161	(49,844)	766,317	35,907
Total	\$ 5,725,000	\$ 5,376,161	\$ (1,789,844)	\$ 9,311,317	\$ 3,525,907

Bonds Payable:

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

3,985,000

In November 2015, the Borough issued \$1,360,000 general obligation bonds for utility improvements. The annual maturities range from \$75,000 to \$150,000 through 2029, interest rates ranging from 2.000% to 4.000%

1,360,000

Total \$ 5,345,000

Loans Payable:

On May 21, 2014, the Borough received a \$816,161 loan under the New Jersey Environmental Infrastructure Trust Program. The loan consists of two agreements: a Trust Loan of \$405,000 to be repaid semi-annually until 2033 at interest rates ranging from 3.0% to 5.0%, and a Fund Loan of \$411,161 to be repaid semi-annually until 2033 at no interest. The proceeds of this loan is to be utilized for the replacement of the Borough's pumping stations.

\$ 766,317

Total \$ 766,317

BOROUGH OF POINT PLEASANT

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

Note 9. Debt (continued):

A. Long Term Debt (continued):

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

Calendar Year	General Capital Debt				
	Bonded Debt		Green Trust Loan		Total
	Principal	Interest	Principal	Interest	
2016	\$ 1,630,000	\$ 532,645	\$ 30,915	\$ 4,333	\$ 2,197,893
2017	1,660,000	483,559	31,537	3,711	2,178,807
2018	1,725,000	426,556	32,170	3,077	2,186,803
2019	1,800,000	375,918	32,817	2,431	2,211,166
2020	1,850,000	315,980	33,477	1,771	2,201,228
2021-2025	9,560,000	752,198	30,124	5,009	10,347,331
2026-2030	-	-	33,275	1,858	35,133
	<u>\$ 18,225,000</u>	<u>\$ 2,886,856</u>	<u>\$ 224,315</u>	<u>\$ 22,190</u>	<u>\$ 21,358,361</u>

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

Calendar Year	Utility Capital Debt				
	Bonded Debt		NJEIT Loan		Total
	Principal	Interest	Principal	Interest	
2016	\$ 290,000	\$ 178,860	\$ 35,906	\$ 14,713	\$ 519,479
2017	305,000	169,893	35,906	14,263	525,062
2018	380,000	160,492	35,906	13,513	589,911
2019	385,000	148,555	35,906	12,763	582,224
2020	400,000	135,042	40,906	12,013	587,961
2021-2025	2,155,000	499,712	204,533	45,063	2,904,308
2026-2030	1,430,000	147,200	229,533	14,531	1,821,264
2031-2033	-	-	147,721	5,550	153,271
	<u>\$ 5,345,000</u>	<u>\$ 1,439,754</u>	<u>\$ 766,317</u>	<u>\$ 132,409</u>	<u>\$ 7,683,480</u>

Calculation of "Self-Liquidating Purposes"

Water-Sewer Utility per N.J.S.A. 40A:2-45

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 6,546,074
Deductions:	
Operating and Maintenance Costs	6,305,364
Debt Service	<u>536,400</u>
Deficit in Revenue	<u>\$ (295,690)</u>

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 9. Debt (continued):

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory new debt of 0.840%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District	\$ 20,743,000	\$ 20,743,000	\$ -
Water & Sewer Utility	10,888,531	4,974,737	5,913,794
General Debt	23,438,319	1,839,892	21,598,427
Total	\$ 55,069,850	\$ 27,557,629	\$ 27,512,221

Net Debt, \$27,512,221, divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$3,274,670,436, equals 0.840%

B. Short-Term Debt

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuing of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note.

The Borough issued a BAN for \$6,070,000 on January 23, 2015 with an interest rate of .61% with a maturity date of January 22, 2016. The Capital Fund takes \$3,500,000 and the Utility Fund Capital \$3,200,000 in the BAN.

C. Bonds and Notes Authorized But Not Issued

On December 31, 2015, the Borough had authorized but not issued bonds and notes as follows:

General Capital	\$1,489,004
Water/Sewer Capital	1,527,370

Note 10. Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation, as calculated by the Borough, would approximate \$1,867,523 at December 31, 2015 in accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying statements.

BOROUGH OF POINT PLEASANT

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

Note 11. Fund Balances Appropriated

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

Year	Balance December 31	Utilized in Budget of Succeeding Year	Percentage of Balance
<u>Current Fund</u>			
2015	\$ 3,749,805	\$ 2,200,000	59%
2014	3,595,411	2,200,000	61%
2013	1,623,939	100,000	6%
<u>Water/Sewer Fund</u>			
2015	\$ 696,186	\$ 189,634	27%
2014	970,875	732,226	75%
2013	530,556	122,500	23%

Note 12. Taxes Collected in Advance

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

Balance December 31,	2015	2014
Prepaid Taxes	<u>\$607,587</u>	<u>\$518,942</u>

Note 13. Assessments and Collection of Property Taxes

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

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

BOROUGH OF POINT PLEASANT

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

Note 14. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	Balance Dec 31, 2015	2016 Budget Appropriation
Current Fund:		
Community Disaster Loan Program	\$ 4,113,315	\$ -
Emergency Appropriation	40,000	40,000
Utility Operating Fund:		
Community Disaster Loan Program	\$ 703,909	\$ -

Note 15. 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/annrpts.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.

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.

BOROUGH OF POINT PLEASANT

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

Note 15. Pension Obligations (continued):

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

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. Borough contributions to PERS amounted to \$460,330 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 Borough's proportionate share of the PERS net pension liability is valued to be \$12,402,444. 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 Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .05525%, which was a decrease of .00059% 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>
	July 1, 2015	July 1, 2014
Actuarial valuation date		
Net Pension Liability	12,402,444	10,454,618
Borough's portion of the Plan's total net pension Liability	0.05525%	0.05584%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$853,200.

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 15. Pension Obligations (continued):

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

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 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:

BOROUGH OF POINT PLEASANT

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

Note 15. Pension Obligations (continued):

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

<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 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 Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough'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:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
Borough's proportionate share of the net pension liability	\$ 15,414,721	\$ 12,402,444	\$ 9,876,973

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 15. Pension Obligations (continued):

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

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/annrpts.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 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. Borough contributions to PFRS amounted to \$773,247 for 2015.

BOROUGH OF POINT PLEASANT

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

Note 15. Pension Obligations (continued):

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

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 Borough's proportionate share of the PFRS net pension liability is valued to be \$16,984,483. 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 Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .10197%, which was an increase of .00129% 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	16,984,483	12,663,874
Borough's portion of the Plan's total net pension Liability	0.10197%	0.10067%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$1,577,217.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$1,489,482 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 Borough was based on a projection of the Borough's 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 .1097%, which was an increase of .00129% from its proportion measured as of June 30, 2014, which is the same proportion as the Borough's.

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 15. Pension Obligations (continued):

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

Borough's Proportionate Share of the Net Pension Liability	\$ 16,984,483
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>1,489,482</u>
Total Net Pension Liability	<u>\$ 18,473,965</u>

For the year ended December 31, 2015, the Borough's total allocated pension expense was \$1,763,008.

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:

Note 15. Pension Obligations (continued):

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

	<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 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:

BOROUGH OF POINT PLEASANT

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

Note 15. Pension Obligations (continued):

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

<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 Borough’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough’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:

<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
(4.79%)	(5.79%)	(6.79%)

Borough's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Borough	\$	24,354,552	\$	18,473,965	\$	13,678,873
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BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 15. Pension Obligations (continued):

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

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 (DCRP)

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 Borough'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.

The Borough’s contributions were as follows:

Fiscal Year	Total Liability	Funded by Borough	Employee Deductions
2015	1,780	1,780	-
2014	1,655	1,655	-
2013	1,243	1,243	-

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

Note 16. Risk Management

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

BOROUGH OF POINT PLEASANT

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

Note 17. Deferred Compensation

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

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

Note 18. School Taxes

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

At year end taxes due consisted of the following:

	<u>Local District School Tax</u>	
	Balance December 31, 2015	Balance December 31, 2014
Tax Payable	\$ 9,935,444	\$ 9,538,823
Deferred	<u>7,048,707</u>	<u>7,048,707</u>
Total Unpaid School Taxes	<u>\$16,984,151</u>	<u>\$16,587,530</u>

Note 19. Contingent Liabilities

A. State and Federal Financial Assistance

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

As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2015, the Borough estimates that no material liabilities will result from such audits.

BOROUGH OF POINT PLEASANT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 19. Contingent Liabilities (continued):

B. Pending Litigation

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

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

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

C. FEMA Community Disaster Loan

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

Note 20. Length of Service Award Program ("LOSAP") (unaudited):

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

Annual Contributions – The annual contribution to be made by the Borough for each active volunteer member was \$1,607 per year of active emergency service.

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

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

BOROUGH OF POINT PLEASANT

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

Note 20. Length of Service Award Program (“LOSAP”) (unaudited) (continued):

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

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

Terms of Participation – The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust.

Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

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

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

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

Note 21. Other Post-Employment Benefits

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

BOROUGH OF POINT PLEASANT

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

Note 21. Other Post-Employment Benefits (continued):

Plan Description

In addition to the pension benefits described in Note 13, the Borough contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. was established in 1961 under *N.J.S.A.52:14-17.25 et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The S.H.B.P. was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the S.H.B.P. The Borough's defined benefit postemployment healthcare plan provides post-employment health care benefits, at its cost, to certain retired employees. The Borough will cover the entire cost of post-retirement health benefits for the retirees and his/her dependents only when the employee has worked twenty-five (25) or more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the Borough of Point Pleasant and remains in effect until the employee becomes Medicare eligible. The plan can be amended by the Borough subject to applicable collective bargaining and employment agreements.

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

Funding Policy

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

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

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	CURRENT	FEDERAL & STATE GRANT FUNDS
Balance December 31, 2014	\$ 15,006,814	\$ 1,185
Increased by Receipts:		
Miscellaneous Reserves	\$ 2,010,368	
Taxes Receivable	61,426,632	
Prepaid Taxes	607,587	
Revenue Accounts Receivable	2,509,269	
Due From State of New Jersey - Senior Citizen & Veteran Deductions	200,451	
Nonbudget Revenue	507,046	
Interfunds	222,000	\$ 230,000
Unappropriated Grants	-	19,126
Federal & State Grants Receivable	-	350,662
	67,483,353	599,788
Subtotal	67,483,353	599,788
Total	82,490,167	600,973
Decreased by Disbursements:		
2015 Appropriations	16,097,270	
2014 Reserve Appropriations	556,897	
Special Emergency Note Payable	464,509	
County Taxes	13,680,034	
Local District School Tax	33,571,687	
Open Space Tax	64,685	
Miscellaneous Reserves	24,555	
Accounts Payable	2,465	
Tax Court Judgement	31,223	
Interfunds	230,106	\$ 222,000
Tax Overpayments	62,748	
Reserve for Federal & State Grant Funds - Appropriated	-	374,162
	64,786,179	596,162
Total Disbursements	64,786,179	596,162
Balance December 31, 2015	\$ 17,703,988	\$ 4,811

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

YEAR	BALANCE	2015	ADDED	COLLECTED		DUE FROM	CANCELLED	TRANSFER TO	BALANCE
	DECEMBER 31, 2014			LEVY	TAXES				2014
2012	\$ 4,258	\$ -	\$ -	\$ -	\$ 4,258	\$ -	\$ -	\$ -	\$ -
2013	19,115	-	-	-	6,541	-	-	3,981	8,593
2014	1,380,680	-	-	-	1,296,092	9,374	58,695	6,779	9,740
Total	1,404,053	-	-	-	1,306,891	9,374	58,695	10,760	18,333
2015	-	61,505,633	348,107	517,322	60,023,303	210,436	104,639	6,938	991,102
Total	\$ 1,404,053	\$ 61,505,633	\$ 348,107	\$ 517,322	\$ 61,330,194	\$ 219,810	\$ 163,334	\$ 17,698	\$ 1,009,435

Cash Receipts	\$ 61,426,632
Overpayments	(96,438)
Total	\$ 61,330,194

ANALYSIS OF 2015 PROPERTY TAX LEVY

General Purpose Tax	\$ 61,505,633	
Added & Omitted Taxes (54:4-6 et seq)	348,107	
Total	\$ 61,853,740	
TAX LEVY:		
Local District School Tax		\$ 33,968,308
General County Tax	\$ 11,553,938	
County Library Tax	1,251,034	
County Open Space	395,540	
County Health Tax	450,222	
Due County for Added & Omitted Taxes	77,248	13,727,982
Local Tax for Municipal Purposes	13,801,544	
Municipal Open Space	64,224	
Add: Additional Taxes Levied	291,682	14,157,450
Total		\$ 61,853,740

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	19,657
Increased by:			
Transfers from Taxes Receivable		\$17,698	
Interest and Costs at Tax Sale		1,000	18,698
		<hr/>	
Balance December 31, 2015		\$	<u>38,355</u>

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	ACCRUED IN 2015	REALIZED	BALANCE DECEMBER 31, 2015
Miscellaneous Revenue Anticipated:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 13,699	\$ 13,699	\$ -
Construction Code Fees	-	539,658	539,658	-
Fees and Permits - Other	-	58,217	58,217	-
Municipal Court	14,303	179,953	180,741	13,515
Interest on Investments & Deposits	-	37,311	37,311	-
Interest on Costs on Taxes	-	226,713	226,713	-
Energy Receipts Tax	-	1,220,709	1,220,709	-
Consolidated Municipal Property Tax Relief Aid	-	6,867	6,867	-
Reserve for Repayment of Debt	-	18,604	18,604	-
FEMA Reimbursement	-	206,750	206,750	-
		<hr/>		
Total	\$ 14,303	\$ 2,508,481	\$ 2,509,269	\$ 13,515
		<hr/>		
Cash Receipts			\$ 2,509,269	
			<hr/>	
Total			\$ 2,509,269	
			<hr/>	

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ENCUMBRANCE	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
OPERATIONS WITHIN "CAPS":					
General Government Functions:					
General Administration:					
Salaries and Wages	\$ -	1,107	\$ 1,107	\$ -	\$ 1,107
Other Expenses	34,466	21,192	55,658	33,243	22,415
Mayor and Council:					
Salaries and Wages	-	1,920	1,920	-	1,920
Municipal Clerk:					
Salaries and Wages	-	659	659	-	659
Other Expenses	713	84	797	687	110
Financial Administration (Treasury):					
Salaries and Wages	-	3,418	3,418	1,500	1,918
Other Expenses	2,593	3,380	5,973	2,283	3,690
Audit Services:					
Annual Audit	48,550	-	48,550	48,550	
Revenue Administration (Tax Collector):					
Salaries and Wages	-	5,394	5,394	-	5,394
Other Expenses	3,912	6,048	9,960	3,893	6,067
Tax Assessor:					
Salaries and Wages	-	762	762	-	762
Other Expenses	3,926	1,352	5,278	4,026	1,252
Legal Services:					
Other Expenses	5,466	10,500	15,966	2,246	13,720
Engineering Services & Costs:					
Other Expenses	-	45,770	45,770	3,759	42,011
Land Use Administration:					
Planning Board:					
Other Expenses	988	1,682	2,670	1,288	1,382
Zoning Board of Adjustment:					
Other Expenses	1,103	1,296	2,399	963	1,436
Zoning Officer:					
Salaries and Wages	-	498	498	-	498
Other Expenses	333	30	363	332	31
Insurance:					
General Liability	-	1,075	1,075	-	1,075
Employee Group Health	-	29,850	29,850	(640)	30,490
Workers' Compensation Insurance	-	89	89	-	89
Group Health Waivers	-	3,613	3,613	1,762	1,851
Public Safety Functions:					
Police:					
Salaries and Wages	-	8,323	8,323	7,523	800
Other Expenses	63,125	3,235	66,360	63,927	2,433
Office of Emergency Management					
Salaries and Wages	-	50	50	-	50
Other Expenses	1,743	4,514	6,257	1,743	4,514
Aid to Volunteer Fire Companies:					
Other Expenses:					
Fire Station No. 75	116,000	985	116,985	116,000	985

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ENCUMBRANCE	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Public Works Functions:					
Road Repairs & Maintenance:					
Salaries and Wages	-	11,660	11,660	6,813	4,847
Other Expenses	27,334	4,267	31,601	26,170	5,431
Other Public Works Functions					
Recycling:					
Salaries and Wages	-	1,173	1,173	-	1,173
Other Expenses	19,915	4	19,919	19,915	4
Solid Waste Collection:					
Contractual	48,833	-	48,833	40,833	8,000
Building & Grounds:					
Other Expenses	5,438	1,670	7,108	4,140	2,968
Community Services Act					
Other Expenses	25,412	1,026	26,438	26,300	138
Health & Human Services:					
Board of Health:					
Salaries and Wages	-	60	60	-	60
Other Expenses	-	386	386	-	386
Environmental Commission:					
Other Expenses	561	94	655	546	109
Animal Control Program:					
Other Expenses	-	3,651	3,651	-	3,651
Park & Recreation Functions:					
Recreation Services & Programs:					
Other Expenses	1,005	3,264	4,269	1,263	3,006
Utility Expense & Bulk Purchases:					
Electricity	13,196	3,751	16,947	12,258	4,689
Street Lighting	41,810	2,878	44,688	35,073	9,615
Telephone	4,140	3,010	7,150	3,861	3,289
Gasoline	36,127	56,523	92,650	9,114	83,536
Gas	4,148	3,799	7,947	3,532	4,415
Landfill/Solid Waste Disposal Costs:					
Landfill Dumping Fees	128,560	-	128,560	47,674	80,886
Municipal Court:					
Other Expenses	-	7,049	7,049	-	7,049
Public Defender					
Other Expenses	-	4,300	4,300	300	4,000
State Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	-	22,659	22,659	2,879	19,780
Other Expenses	879	817	1,696	1,614	82
Other Common Operating Functions:					
Sick Payouts	-	832	832	-	832
Contingent	-	1,000	1,000	-	1,000
Deferred Charges & Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I)	-	38,272	38,272	-	38,272
Defined Contribution Retirement Program	-	345	345	-	345
Police and Fireman's Retirement System	-	21,043	21,043	-	21,043

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ENCUMBRANCE	RESERVE	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Total General Appropriations for Municipal Purposes Within "CAPS"	640,276	350,359	990,635	535,370	455,265
Operations Excluded From "CAPS":					
Length of Service Awards Program	95,000	-	95,000	77,136	17,864
Shared Services Agreement:					
Municipal Court - Borough of Pt. Pleasant Be	21,622	-	21,622	21,622	-
Uniform Construction Code-					
Borough of Pt. Pleasant Beach	-	10,000	10,000	-	10,000
Insurance:					
Employee Group Health Insurance		39,470	39,470	-	39,470
Tax Office, Barnegat Light	9,100	-	9,100	9,100	-
Matching Funds for Grants	-	10,000	10,000	-	10,000
Total Operations Excluded from "CAPS"	125,722	59,470	185,192	107,858	77,334
Total	\$ 765,998	\$ 409,829	\$ 1,175,827	\$ 643,228	\$ 532,599
				\$ 556,897	
				86,331	
				<u>\$ 643,228</u>	

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014			
School Tax Payable	\$	9,538,823	
School Tax Deferred		<u>7,048,707</u>	\$ 16,587,530
Increased by:			
Calendar Year Levy - 2015			<u>33,968,308</u>
Subtotal			50,555,838
Decreased by:			
Cash Disbursements			<u>33,571,687</u>
Balance December 31, 2015			
School Tax Payable		9,935,444	
School Tax Deferred		<u>7,048,707</u>	
Total			<u><u>\$ 16,984,151</u></u>
2015 Liability for Local District School Tax:			
Tax Paid	\$		33,571,687
Tax Payable December 31, 2015			<u>9,935,444</u>
Subtotal			43,507,131
Less: Tax Payable December 31, 2014			<u>9,538,823</u>
Amount Charged to 2015 Operations	\$		<u><u>33,968,308</u></u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	28,846
Increased by:			
County Tax	\$	11,553,938	
County Library Tax		1,251,034	
County Open Space		395,540	
County Health Tax		450,222	
Added & Omitted Taxes		77,248	13,727,982
			<hr/>
Subtotal			13,756,828
Decreased by:			
Disbursements			13,680,034
			<hr/>
Balance December 31, 2015		\$	<u>76,794</u>

**SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	INCREASES	DECREASES	BALANCE DECEMBER 31, 2015
Reserve for Superstorm Sandy	\$ -	\$ 378,433	\$ 58,512	\$ 319,921
Reserve for Sale of Municipal Assets	6,001	1,597,204	-	1,603,205
Due State of New Jersey:				
Marriage License Fees	625	2,712	2,880	457
DCA Training Fees	8,086.00	32,019	21,675	18,430
				<hr/>
Total	\$ 14,712	\$ 2,010,368	\$ 83,067	\$ 1,942,013
				<hr/>
Cash Disbursement			\$ 24,555	
Cancel of Deferred Reserve			58,512	
			<hr/>	
			\$ 83,067	
			<hr/>	

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	TOTAL	GRANT FUND	TRUST OTHER FUND
Balance December 31, 2014 Due From/(Due To)	\$ 90,924	\$ 90,924	\$ -
Increased by:			
Cash Receipts	230,106	230,000	106
Interfunds Created	488,770	488,770	-
Total Increases	718,876	718,770	106
Subtotal	809,800	809,694	106
Decreased by:			
Interfunds Liquidated	710,770	710,770	-
Total Decreases	710,770	710,770	-
Balance December 31, 2015 Due From/(Due To)	\$ 99,030	\$ 98,924	\$ 106

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SPECIAL EMERGENCY NOTE PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

DESCRIPTION	ORIGINAL DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2014	DECREASE	BALANCE DECEMBER 31, 2015
Severance Liabilities Special Emergency Note	12/20/14	12/19/15	1.25%	\$ 199,247	\$ 199,247	\$ -
Superstorm Sandy Special Emergency Note	12/20/14	12/19/15	1.25%	265,262	265,262	-
				<u>\$ 464,509</u>	<u>\$ 464,509</u>	<u>\$ -</u>

**SCHEDULE OF DEFERRED CHARGES - N.J.S. 40A: 4-55 SPECIAL EMERGENCY
FOR THE YEAR ENDED DECEMBER 31, 2015**

PURPOSE	DATE AUTHORIZED	AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2014	DECREASE	BALANCE DECEMBER 31, 2015
Severance Liabilities	10/17/11	\$ 498,119	\$ 99,624	\$ 199,247	\$ 199,247	\$ -
Superstorm Sandy	11/20/12	1,033,750	206,750	265,262	265,262	-
				<u>\$ 464,509</u>	<u>\$ 464,509</u>	<u>\$ -</u>

**BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	2015 ANTICIPATED REVENUE	CHAPTER 159	RECEIVED	TRANSFER FROM UNAPPROPRIATED	BALANCE DECEMBER 31, 2015
State Grants:						
Municipal Alliance on Alcoholism and Drug Abuse	\$ 24,508	\$ -	\$ -	\$ -	\$ -	\$ 24,508
Bulletproof Vest Partnership Grant	-	-	6,518	-	-	6,518
Clean Communities Program	-	-	42,523	42,523	-	-
Click It or Ticket	-	-	4,000	2,800	-	1,200
Drive Sober or Get Pulled Over	-	-	10,000	4,050	-	5,950
FEMA - Emergency Generator	-	-	262,650	-	-	262,650
FEMA	-	-	58,512	58,512	-	-
NJ Transportation Trust Fund Authority Act:						
West End Drive - 2008 Municipal Aid	783	-	-	-	-	783
Riverwood Avenue	90,744	-	-	-	-	90,744
Edger Road - 2012 Municipal Aid	87,500	-	-	87,500	-	-
2013 NJ Municipal DOT	200,000	-	-	150,000	-	50,000
Community Development Block Grant:						
CT - 884-09	1,561	-	-	-	-	1,561
Alcohol Education & Rehabilitation	-	1,773	-	-	1,773	-
Cops in Shops	2,400	-	2,000	2,000	-	2,400
Over the Limit Grant	-	4,375	-	-	4,375	-
Pedestrian Safety Grant	-	4,629	-	-	4,629	-
Body Armor Replacement Grant	-	-	3,278	3,277	1	-
Smart Future Growth Grant	6,000	-	-	-	-	6,000
Strategic Recovery Planning Report	-	-	30,000	-	-	30,000
Total Grant Funds	\$ 413,496	\$ 10,777	\$ 419,481	\$ 350,662	\$ 10,778	\$ 482,314

**BOROUGH OF POINT PLEASANT
CURRENT FUND
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	TRANSFER FROM 2015 BUDGET APPROPRIATION	CHAPTER 159	EXPENDED	PRIOR YEAR ENCUMBRANCES	CURRENT YEAR ENCUMBRANCES	BALANCE DECEMBER 31, 2015
Clean Communities Program	\$ 13,683	\$ -	\$ 42,523	\$ 29,888	\$ 4,255	\$ 204	\$ 30,369
Alcohol Education Rehabilitation Fund	7,623	1,772	-	-	-	-	9,395
Pedestrian Safety Education and Enforcement	4,166	4,628	-	-	-	-	8,794
Body Armor Replacement Grant	3,200	-	3,278	3,199	-	-	3,279
Bullet Proof Partnership Grant	-	-	6,518	3,960	-	-	2,558
Click It or Ticket	-	-	4,000	200	-	-	3,800
FEMA - Generator Project	-	-	262,650	14,702	-	16,298	231,650
FEMA	-	-	58,512	58,512	-	-	-
NJ Transportation Trust Fund Authority Act:							
Riverwood Avenue	22,013	-	-	-	-	-	22,013
2013 DOT	200,000	-	-	200,000	-	-	-
Community Development Block Grant:							
CT - 884-09	-	-	-	-	3,568	3,568	-
CT - 939-11	30,919	-	-	30,919	-	-	-
Recycling Tonnage Grant	-	-	-	(5,259)	2,085	5,446	1,898
Strategic Recovery Planning Report	-	-	30,000	20,358	-	2,542	7,100
Cops in Shops	2,282	-	2,000	1,800	-	-	2,482
Drive Sober Grant	625	-	10,000	5,422	-	-	5,203
Drunk Driving Enforcement Fund	18,319	-	-	10,461	241	-	8,099
Over the Limit Grant	-	4,377	-	-	-	-	4,377
Total	\$ 302,830	\$ 10,777	\$ 419,481	\$ 374,162	\$ 10,149	\$ 28,058	\$ 341,017

**BOROUGH OF POINT PLEASANT
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	RECEIVED 2015	UTILIZED AS REVENUE	BALANCE DECEMBER 31, 2015
Alcohol Education and Rehabilitation Fund	\$ 1,773	\$ 2,063	\$ 1,773	\$ 2,063
Drunk Driving Enforcement	-	17,063	-	17,063
Pedestrian Safety Grant	4,629	-	4,629	-
Body Armor Grant	1	-	1	-
Over the Limit Grant	4,375	-	4,375	-
	<hr/>			
Total	\$ 10,778	\$ 19,126	\$ 10,778	\$ 19,126
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TRUST FUND

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**BOROUGH OF POINT PLEASANT
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>OTHER</u>	<u>OPEN SPACE</u>	<u>DOG LICENSE</u>
Balance December 31, 2014	\$ 2,173,557	\$ 255,489	\$ 1,281
Increased by Receipts:			
Various Reserves	\$ 3,297,230	\$ -	-
Interfunds	106	64,224	-
Interest Earnings	-	461	-
State Registration Fees	-	-	2,811
License Fees & Others	-	-	21,745
Total Increases	<u>3,297,336</u>	<u>64,685</u>	<u>24,556</u>
Total Increases & Balances	<u>5,470,893</u>	<u>320,174</u>	<u>25,837</u>
Decreased by Disbursements:			
Various Reserves	3,357,576	-	-
Interfunds	-	-	-
Reserve for Municipal Open Space	-	52,901	-
State Registration Fees	-	-	2,813
Expenditures Under R.S.4:19-15.11	-	-	10,156
Total Disbursements	<u>3,357,576</u>	<u>52,901</u>	<u>12,969</u>
Balance December 31, 2015	<u>\$ 2,113,317</u>	<u>\$ 267,273</u>	<u>\$ 12,868</u>

**BOROUGH OF POINT PLEASANT
TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE/(FROM) STATE FOR DOG REGISTRATION FEES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	2
Increased by:		
State Registration Fees		<u>2,811</u>
Subtotal		2,813
Decreased by:		
Disbursements		<u>2,813</u>
Balance December 31, 2015	\$	<u><u>-</u></u>

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	1,304
Increased by:		
Dog License Fees Collected		<u>21,745</u>
Subtotal		23,049
Decreased by:		
Expenditures Under R.S. 4:19-15.11		<u>10,156</u>
Balance December 31, 2015	\$	<u><u>12,893</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2013	\$ 13,946
2014	<u>15,939</u>
Total	<u><u>\$ 29,885</u></u>

**BOROUGH OF POINT PLEASANT
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 255,489
Increased by:		
Open Space Tax Levied	\$ 64,224	
Interest Earnings	461	64,685
		<hr/>
Subtotal		320,174
Decreased by:		
Open Space Expenditures		<hr/> 52,901
Balance December 31, 2015		<hr/> <hr/> \$ 267,273

**SCHEDULE OF INTERFUND RECEIVABLE - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ -
Increased by:		
Open Space Tax Levy		<hr/> 64,224
Subtotal		64,224
Decreased by:		
Cash Receipts		<hr/> 64,224
Balance December 31, 2015		<hr/> <hr/> \$ -

**BOROUGH OF POINT PLEASANT
TRUST FUND - OTHER
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2015
Reserve For:				
Law Enforcement	\$ 1,818	\$ 35,583	\$ 5,412	\$ 31,989
Affordable Housing	172,579	28,682	27,824	173,437
Public Defender	24,196	7,744	-	31,940
Recreation	108,898	366,521	379,863	95,556
POAA Funds	380	60	-	440
Safety Awards	46	250	-	296
Environmental Commission	2,578	4,215	3,150	3,643
Demolition Permits	20,000	33,000	33,000	20,000
Escrow Zoning Board	27,149	54,094	49,825	31,418
Planning Board	49,976	43,424	58,693	34,707
Recycling	76,341	20,097	62,291	34,147
Police Outside Services	113,496	158,803	142,042	130,257
Lien & Premium Account	1,281,106	2,272,857	2,234,603	1,319,360
Forfeited Funds	3,168	-	-	3,168
Unemployment Trust	27,220	55,033	66,409	15,844
Engineering Escrow	26,378	26,724	20,197	32,905
Police - Dare, Explorer, Summer	8,957	2,066	3,231	7,792
Grading Escrow	2,560	8,510	4,700	6,370
Individual Escrow	224,390	179,567	266,336	137,621
Total	\$ 2,171,236	\$ 3,297,230	\$ 3,357,576	\$ 2,110,890

**BOROUGH OF POINT PLEASANT
 LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") - (UNAUDITED)
 SCHEDULE OF INVESTMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$	925,379
Increased by:			
Township Contributions	\$	75,529	
Interest Earnings		3,585	79,114
			<hr/>
Subtotal			1,004,493
Decreased by:			
Loss on Investments	\$	927	
Withdrawals		101,595	102,522
			<hr/>
Balance, December 31, 2015		\$	<u>901,971</u>

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GENERAL CAPITAL FUND

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EXHIBIT C-1

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	30,710
Add:		
Premiums on Bond Issuance		<u>47,239</u>
Balance December 31, 2015	\$	<u><u>77,949</u></u>

EXHIBIT C-2

**SCHEDULE OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	220,270
Increased by:		
Premiums on Bond Issuance	\$	47,239
Bond Anticipation Notes Issued		3,500,000
General Improvement Bond Issuance		7,300,000
Capital Improvement Fund		<u>110,000</u>
Subtotal		11,177,509
Decreased by:		
Reserve for Debt Service		18,604
Bond Anticipation Note Matured		4,680,000
Improvement Authorizations		<u>2,208,920</u>
Balance December 31, 2015	\$	<u><u>4,269,985</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

Fund Balance	77,949
Capital Improvement Fund	146,781
Reserve for Encumbrances	915,130
Reserve for Debt Service	98,228
Overissued Debt	1,741,664

Improvement Authorizations:

ORDINANCE NUMBER	DESCRIPTION	
99-16, 01-25	Various General Improvements	38,277
02-18	Various Capital Improvements	3,782
03-17/05-23	General Improvements	57,746
05-21	Various Capital Improvements	1,385
07-11	Various Capital Improvements	398,511
07-18	Construction & Improvement of Riverfront Park	84,082
08-10, 09-03, 10-05	Various Capital Improvements	254,679
10-07	Various Capital Improvements	52,568
10-18	Surveillance Equipment at Parks	59,147
11-20	Various Capital Improvements	79,571
12-15	Various Capital Improvements	106,971
13-19	Various Capital Improvements	123,613
14-08	Various Capital Improvements	571,019
15-18	Various Capital Improvements	(541,207)
	Total	<u><u>\$ 4,269,985</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 13,049,621
Increased by:		
Bond Sale		<u>7,300,000</u>
Subtotal		20,349,621
Decreased by:		
Budget Appropriation:		
Serial Bonds Payable	\$ 1,870,000	
Green Acres Loan Payable	<u>30,306</u>	<u>1,900,306</u>
Balance, December 31, 2015		<u><u>\$ 18,449,315</u></u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	FUNDED	AUTHORIZATIONS CANCELLED	BALANCE DECEMBER 31, 2015	ANALYSIS OF BALANCE DECEMBER 31, 2015	
							EXPENDITURES	UNEXPENDED BALANCE
09-18	Various Capital Improvements	\$ 10,414	\$ -	\$ 10,414	\$ -	\$ -	\$ -	\$ -
09-20	Various Capital Improvements	215,650	-	215,650	-	-	-	-
10-07	Various Capital Improvements	10,414	-	10,141	273	-	-	-
10-18	Suveillance Equipment at Parks	57,000	-	57,000	-	-	-	-
11-20	Various Capital Improvements	1,054,000	-	1,054,000	-	-	-	-
12-15	Various Capital Improvements	1,679,146	-	1,679,146	-	-	-	-
13-13	Various Capital Improvements	2,821,500	-	2,813,376	-	8,124	-	8,124
13-19	Various Capital Improvements	1,441,070	-	1,260,000	-	181,070	57,457	123,613
14-08	Various Capital Improvements	1,769,415	-	200,273	-	1,569,142	998,123	571,019
15-18	Various Capital Improvements	-	1,489,004	-	-	1,489,004	541,207	947,797
Total		\$ 9,058,609	\$ 1,489,004	\$ 7,300,000	\$ 273	\$ 3,247,340	\$ 1,596,787	\$ 1,650,553

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	80,152
Increased by:			
Receipts - Current Fund Appropriations	\$	110,000	
Cancelled Reserve Balances		35,000	145,000
			<hr/>
Subtotal			225,152
Decreased by:			
Appropriated to Finance Improvement Authorizations			78,371
			<hr/>
Balance December 31, 2015		\$	<u>146,781</u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
STATEMENT 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 DECEMBER 31, 2014	INCREASED	DECREASED	BALANCE DECEMBER 31, 2015
09-18	Various Capital Improvements	9/24/13	9/24/14	9/23/15	0.960%	\$ 10,414	\$ -	\$ 10,414	\$ -
09-20	Various Capital Improvements	9/24/13	9/24/14	9/23/15	0.960%	215,650	-	215,650	-
10-07	Various Capital Improvements	9/24/13	9/24/14	9/23/15	0.960%	10,414	-	10,414	-
10-18	Surveillance Equipment at Parks	9/24/13	9/24/14	9/23/15	0.960%	57,000	-	57,000	-
11-01, 11-20	Various Capital Improvements	9/24/13	9/24/14	9/23/15	0.960%	1,054,000	-	1,054,000	-
12-15	Various Capital Improvements	9/24/13	9/24/14	9/23/15	0.960%	1,679,146	-	1,679,146	-
13-13	Various Capital Improvements	9/24/13 1/23/15	9/24/14 1/23/15	9/23/15 1/22/16	0.960% 0.610%	1,653,376 -	- 2,040,000	1,653,376 -	- 2,040,000
13-19	Various Capital Improvements	1/23/15	1/23/15	1/22/16	0.610%	-	1,260,000	-	1,260,000
14-08	Various Capital Improvements	1/23/15	1/23/15	1/22/16	0.610%	-	200,000	-	200,000
						<u>\$ 4,680,000</u>	<u>\$ 3,500,000</u>	<u>\$ 4,680,000</u>	<u>\$ 3,500,000</u>

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	CANCELLED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2015	
		DATE	AMOUNT	FUNDED	UNFUNDED						FUNDED	UNFUNDED
98-08	Improvements to Borough Property	03/17/1998	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -
99-16/01-25	Various General Improvements	07/06/1999	1,100,539	40,260	-	-	-	1,983	-	-	38,277	-
99-29	Various General Improvements	11/23/1999	90,000	1,254	-	-	-	-	1,254	-	-	-
00-07	Various General Improvements	07/11/2000	1,767,586	11,263	-	-	-	11,263	-	-	-	-
00-25	Various General Improvements	12/19/2000	85,000	3,652	-	-	1,166	1,166	3,652	-	-	-
01-12	Various General Improvements	07/10/2001	1,599,824	50,621	-	-	2,824	38,603	7,784	6,970	-	88
02-18	Various Capital Improvements	09/17/2002	1,637,194	66,059	-	-	2,028	7,052	10,000	47,253	3,782	-
03-17/05-23	General Improvements	08/08/2003	1,369,281	124,245	-	-	-	131	61,747	1,061	3,822	56,759
04-15	Various Capital Improvements	08/03/2004	2,033,947	50	-	-	-	-	50	-	-	987
05-21	Various Capital Improvements	09/06/2003	605,634	2,390	-	-	28,070	21,812	-	7,263	1,385	-
06-19	Various Capital Improvements	09/19/2006	704,110	-	-	-	2,011	2,011	-	-	-	-
07-11	Various Capital Improvements	08/21/2007	6,163,406	422,154	-	-	1,998	2,918	22,398	325	398,511	-
07-18	Construction & Improvement of Riverfront Park	12/18/2007	1,168,305	206,751	-	-	-	71,293	-	51,376	84,082	-
08-10, 09-03, 10-05	Various Capital Improvements	08/19/2008	2,314,210	317,271	-	-	16,658	70,153	7,795	1,302	254,400	279
09-18	Various Capital Improvements	10/20/2009	680,534	50,233	10,414	-	5,919	42,914	23,048	603	-	1
09-20	Various Capital Improvements	10/20/2009	227,000	-	3,992	-	14,695	14,695	3,992	-	-	-
10-07	Various Capital Improvements	04/06/2010	684,134	165,197	10,414	-	12,500	59,275	5,422	70,846	52,568	-
10-18	Surveillance Equipment at Parks	10/05/2010	60,000	-	8,496	-	51,920	(776)	2,045	-	59,147	-
11-20	Various Capital Improvements	12/20/2011	1,054,000	-	124,667	-	60,346	50,557	-	54,885	79,571	-
12-15, 15-02	Various Capital Improvements	09/04/2012	1,767,523	-	309,844	-	58,034	83,105	-	177,802	106,971	-
13-13	Various Capital Improvements	08/20/2013	2,970,000	-	933	-	-	600	-	333.00	-	-
13-19, 15-03	Various Capital Improvements	11/19/2013	1,519,916	-	173,513	-	280,329	317,219	-	13,010	-	123,613
14-08	Various Capital Improvements	09/02/2014	1,862,543	-	1,564,232	-	217,879	1,122,625	-	88,467	-	571,019
15-18	Various Capital Improvements	07/02/2015	1,567,375	-	-	1,567,375	-	228,705	-	390,873	-	947,797
Total				\$ 1,471,400	\$ 2,206,505	\$ 1,567,375	\$ 756,508	\$ 2,208,920	\$ 98,501	\$ 915,130	\$ 1,135,453	\$ 1,643,784

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2014	ISSUED IN 2015	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2015
General Improvements	12/15/2003	9,270,000	12/15/2015	1,020,000	3.750%	1,020,000	-	1,020,000	-
General Improvements	7/7/2010	14,890,000	12/15/2016	900,000	3.000%	11,775,000	-	850,000	10,925,000
			12/15/2017	960,000	3.000%				
			12/15/2018	1,025,000	3.250%				
			12/15/2019	1,100,000	3.250%				
			12/15/2020	1,200,000	3.250%				
			12/15/2021	1,300,000	3.250%				
			12/15/2022	1,480,000	3.250%				
			12/15/2023	1,480,000	3.500%				
			12/15/2024	1,480,000	4.000%				
General Improvements	11/15/2015	7,300,000	11/15/2016	730,000	3.000%	-	7,300,000	-	7,300,000
			11/15/2017	700,000	3.000%				
			11/15/2018	700,000	3.000%				
			11/15/2019	700,000	4.000%				
			11/15/2020	650,000	2.000%				
			11/15/2021	650,000	2.000%				
			11/15/2022	650,000	2.000%				
			11/15/2023	650,000	2.000%				
			11/15/2024	650,000	2.125%				
			11/15/2025	1,220,000	2.250%				
Total						\$ 12,795,000	\$ 7,300,000	\$ 1,870,000	\$ 18,225,000

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2015**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2014	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2015
1989 Program	11/21/2000	\$ 148,836	2/21/2016	4,189	2.00%	\$ 52,083	\$ 8,255	\$ 43,828
			8/20/2016	4,231	2.00%			
			2/20/2017	4,274	2.00%			
			8/21/2017	4,316	2.00%			
			2/21/2018	4,359	2.00%			
			8/21/2018	4,403	2.00%			
			2/21/2019	4,447	2.00%			
			8/21/2019	4,491	2.00%			
			2/21/2020	4,536	2.00%			
			8/20/2020	4,582	2.00%			
			1992 Program	10/27/2000	305,000			
7/27/2016	8,671	2.00%						
1/27/2017	8,757	2.00%						
7/27/2017	8,845	2.00%						
1/27/2018	8,933	2.00%						
7/27/2018	9,023	2.00%						
1/27/2019	9,113	2.00%						
7/27/2019	9,204	2.00%						
1/27/2020	9,296	2.00%						
7/27/2020	9,387	2.00%						
2010 Program	11/5/2010	113,000				2/5/2016	2,607	2.00%
			8/5/2016	2,633	2.00%			
			2/5/2017	2,659	2.00%			
			8/5/2017	2,686	2.00%			
			2/5/2018	2,712	2.00%			
			8/5/2018	2,740	2.00%			
			2/5/2019	2,767	2.00%			
			8/5/2019	2,795	2.00%			
			2/5/2020	2,823	2.00%			
			8/5/2020	2,851	2.00%			
			2/5/2021	2,879	2.00%			
			8/5/2021	2,908	2.00%			
			2/5/2022	2,937	2.00%			
			8/5/2022	2,966	2.00%			
			2/5/2023	2,996	2.00%			
			8/5/2023	3,026	2.00%			
			2/5/2024	3,056	2.00%			
			8/5/2024	3,087	2.00%			
			2/5/2025	3,118	2.00%			
			8/5/2025	3,149	2.00%			
			2/5/2026	3,181	2.00%			
			8/5/2026	3,212	2.00%			
			2/5/2027	3,245	2.00%			
8/5/2027	3,277	2.00%						
2/5/2028	3,310	2.00%						
8/5/2028	3,343	2.00%						
2/5/2029	3,376	2.00%						
8/5/2029	3,410	2.00%						
2/5/2030	3,444	2.00%						
8/5/2030	3,479	2.00%						
Total						\$ 254,621	\$ 30,306	\$ 224,315

**BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	NOTES ISSUED	BONDS ISSUED	BALANCE DECEMBER 31, 2015
13-13	Various Capital Improvements	\$ 1,168,124	\$ -	\$ 8,124	\$ 1,160,000	\$ -
13-19	Various Capital Improvements	1,441,070	-	181,070	1,260,000.00	-
14-08	Various Capital Improvements	1,769,415	-	1,569,142	200,273	-
15-18	Various Capital Improvements	-	1,489,004	-	-	1,489,004
Total		\$ 4,378,609	\$ 1,489,004	\$ 1,758,336	\$ 2,620,273	\$ 1,489,004

Notes Issued	\$ 1,758,336
Notes Overfunded	1,741,664
	<u>\$ 3,500,000</u>

WATER-SEWER UTILITY FUND

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**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
SCHEDULE OF UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	OPERATING FUND	CAPITAL FUND
Balance December 31, 2014	\$ 1,271,984	\$ 44,642
Increased by Receipts:		
Miscellaneous Revenues	\$ 104,431	\$ -
Consumer Rents	6,499,173	-
Prepaid Rents	12,593	-
Interest on Delinquent Accounts	46,340	-
Due Utility Capital	40,000	-
Bond Anticipation Note	-	3,200,000
Bond Refunding	-	1,360,000
NJEIT Proceeds	-	1,385,927
	6,702,537	5,945,927
Subtotal	6,702,537	5,945,927
Total	7,974,521	5,990,569
Decreased by Disbursements:		
Budget Appropriations	6,525,595	-
Appropriation Reserves	225,883	-
Accounts Payable	2,097	-
Refund Overpayments	27	-
Refund of Other Charges	175	-
Due Utility Operating	-	40,000
Bond Anticipation Note	-	1,360,000
Improvement Authorizations	-	1,932,466
	6,753,777	3,332,466
Total Disbursements	6,753,777	3,332,466
Balance December 31, 2015	\$ 1,220,744	\$ 2,658,103

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH - WATER-SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Fund Balance	\$ 4,168
Capital Improvement Fund	120,367
Down Payment on Improvements	73,600
Encumbrances Payable	670,313
Overfunded Loan	149,067
Overfunded BAN	1,159,802
Improvement Authorizations:	
01-13 Various Improvements	6,938
02-19 Various Improvements	54,608
03-16 Various Improvements	182,972
04-16 Various Improvements	16,513
05-22 Various Improvements	23,719
06-08 Interconnect	16,095
06-20, 12-02 Various Improvements	229,412
06-26 Improvements to Water Facilities	6,543
07-12 Various Improvements	318,227
08-11 Various Improvements	1,359
09-19 Various Improvements	9,656
10-08 Various Improvements	208,591
10-15, 12-03 Various Improvements	(418,706)
11-21 Purchase of Various Equipment and Various Improvements	27,407
12-05 Various Improvements	517,082
12-16 Various Improvements	37,170
13-20 Various Improvements	(52,711)
14-10 Various Improvements	(209,527)
15-01 Repair of Sanitary Sewer Line	6,125
15-19 Various Improvements	<u>(500,687)</u>
Total	<u>\$ 2,658,103</u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 686,512
Increased by:		
Water-Sewer Levy		<u>6,296,167</u>
Subtotal		6,982,679
Decreased by:		
Cash Collections	\$ 6,499,173	
Cancelled Per Resolution	<u>9,188</u>	
		<u>6,508,361</u>
Balance, December 31, 2015		<u><u>\$ 474,318</u></u>

**SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>BALANCE DECEMBER 31, 2014</u>		<u>BALANCE</u>	<u>PAID OR</u>	<u>BALANCE</u>
	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>AFTER</u>	<u>CHARGED</u>	<u>LAPSED</u>
			<u>TRANSFERS</u>		
Salaries and Wages	\$ -	\$ 81,433	\$ 81,433	\$ 9,152	\$ 72,281
Other Expenses	171,743	127,895	299,638	272,054	27,584
Ocean County Utilities Authority	-	30,034	30,034	-	30,034
Public Employees' Retirement System	-	5,305	5,305	-	5,305
Social Security System	-	3,048	3,048	-	3,048
Total	<u>\$ 171,743</u>	<u>\$ 247,715</u>	<u>\$ 419,458</u>	<u>\$ 281,206</u>	<u>\$ 138,252</u>
				\$ 225,883	
Cash Disbursements				<u>55,323</u>	
Accounts Payable					
Total Paid or Charged				<u><u>\$ 281,206</u></u>	

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	69,246
Increased by:		
Interest Expense		179,104
Subtotal		248,350
Decreased by:		
Interest Paid		171,900
Balance December 31, 2015	\$	76,450

PRINCIPAL OUTSTANDING DECEMBER 31, 2015 AMOUNT		RATE	FROM	TO	PERIOD	AMOUNT
2010 Serial Bonds	\$ 3,985,000	Various	7/15/15	12/31/15	5 1/2 Months	\$ 66,212
2015 Serial Bonds	1,360,000	Various	11/15/15	12/31/15	1 1/2 Months	4,233
NJEIT Loan	390,000	Various	8/1/15	12/31/15	5 Months	6,005
Total						\$ 76,450

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER-SEWER OPERATING INTERFUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	(100,000)
Increased by:		
Budgeted Down Payment on Improvements	\$	60,000
Interfund Advanced		40,000
		100,000
 Balance December 31, 2015	 \$	 -

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	155,967
Decreased by:		
Appropriated to Finance Improvement Authorizations		35,600
		35,600
 Balance December 31, 2015	 \$	 120,367

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	IMPROVEMENTS AUTHORIZED	BALANCE DECEMBER 31, 2015
01-13	Various Improvements	\$ 28,780	\$ -	\$ 28,780
03-16	Various Improvements	621,361	-	621,361
04-16	Various Improvements	278,875	-	278,875
05-22	Various Improvements	1,679,975	-	1,679,975
06-08	Interconnect	85,000	-	85,000
06-20, 12-02	Various Improvements	1,427,447	-	1,427,447
06-26	Improvements to Water Facilities	200,000	-	200,000
07-12	Various Improvements	466,900	-	466,900
08-11	Various Improvements	213,045	-	213,045
09-19	Various Improvements	101,700	-	101,700
10-08	Various Improvements	283,700	-	283,700
10-15, 12-03	Various Improvements	1,020,505	-	1,020,505
11-21	Purchase of Various Equipment & Various Improvements	473,400	-	473,400
12-04	Drainage Improvements at Powhatan Ave	89,750	-	89,750
12-05	Replacement of Pumping Stations	2,027,500	-	2,027,500
12-16	Various Improvements	243,600	-	243,600
13-20	Various Improvements	1,111,357	-	1,111,357
14-10	Various Improvements	284,350.00	-	284,350
15-01	Repair of Sanitary Sewer Line	-	116,375	116,375
15-19	Various Improvements	-	560,025	560,025
	Total	<u>\$ 10,637,245</u>	<u>\$ 676,400</u>	<u>\$ 11,313,645</u>

EXHIBIT D-13
BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015

FIXED CAPITAL	BALANCE DECEMBER 31, 2015
Pumping Station	\$ 1,675
Wells	1,354,266
Filter System	203,251
Pumping Station	151,618
Aerator Tank	42,000
Elevator Tanks	167,701
Distribution Mains & Accessories	764,080
Meters	290,471
Fire Hydrants	30,735
Garage	14,582
Emergency & Inspections	13,826
Law Expenditures During Construction	5,584
Interest During Construction	2,550
Original Sewer System	15,852,747
Deferred Cash	2,278,000
Water-Sewer System Improvements	727,500
Various Improvements	4,299,105
Sewer Collection System	963,788
Valve	60,000
Heavy Equipment	66,000
Municipal Building Improvements - 1999-2006	125,000
Various Improvements	<u>2,782,705</u>
Total	<u><u>\$ 30,197,184</u></u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014 and 2015		<u>\$ 420,816</u>
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**SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 30,560,585
Increased by:		
Serial Bonds Paid by Budget	\$380,000	
NJEIT Loans Paid	49,844	
NJEIT Loans Forgiven	569,766	<u>999,610</u>
Balance December 31, 2015		<u>\$ 31,560,195</u>

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AUTHORIZED		BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES		RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2015	
		DATE	AMOUNT	FUNDED	UNFUNDED		RECLASSIFIED	EXPENDED		FUNDED	UNFUNDED
01-13	Various Improvements	09/04/01	\$ 575,600	\$ 6,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,938	\$ -
02-19	Various Improvements	09/17/02	239,700	54,608	-	-	-	-	-	54,608	-
03-16	Various Improvements	08/05/03	621,361	231,478	-	-	38,928	40,267	47,167	182,972	-
04-16	Various Improvements	08/03/04	278,875	16,513	-	-	15,475	-	15,475	16,513	-
05-22	Various Improvements	09/06/05	1,679,975	11,567	17,845	-	-	5,693	-	23,719	-
06-08	Interconnect	05/16/06	85,000	16,095	-	-	-	-	-	16,095	-
06-20, 12-02	Various Improvements	03/20/12	1,427,447	207,448	-	-	179,778	87,412	70,402	229,412	-
06-26	Improvements to Water Facilities	12/19/06	200,000	6,543	-	-	-	-	-	6,543	-
07-12	Various Improvements	08/07/07	466,900	322,055	-	-	1,844	1,774	3,898	318,227	-
08-11	Various Improvements	08/19/08	213,045	1,359	-	-	-	-	-	1,359	-
09-19	Various Improvements	10/20/09	101,700	9,656	-	-	-	-	-	9,656	-
10-08	Various Improvements	08/29/07	283,700	219,155	-	-	5,083	6,806	5,083	208,591	-
10-15, 12-03	Various Improvements	03/20/12	1,020,505	-	50,774	-	3,500	-	3,500	-	50,774
11-21	Purchase of Various Equipment & Various Improvements	10/20/09	473,400	29,607	-	-	155,798	152,926	5,072	27,407	-
12-04	Drainage Improvements at Powhatan Ave	03/20/12	89,750	-	-	-	10	-	10	-	-
12-05	Replacement of Pumping Stations	03/20/12	2,027,500	-	602,457	-	967,209	913,090	139,494	-	517,082
12-16	Various Improvements	08/21/12	243,600	-	65,218	-	7,200	26,081	9,167	37,170	-
13-20	Various Improvements	11/19/13	1,169,850	-	194,760	-	183,889	310,043	9,960	-	58,646
14-10	Various Improvements	09/02/14	284,350	-	182,439	-	86,900	205,606	3,127	-	60,606
15-01	Repair of Sanitary Sewer Line	01/20/15	122,500	-	-	122,500	-	-	-	6,125	116,375
15-19	Various Improvements	07/21/15	589,500	-	-	589,500	-	174,204	355,958	-	59,338
Total				\$ 1,133,022	\$ 1,113,493	\$ 712,000	\$ 1,652,420	\$ 1,932,466	\$ 670,313	\$ 1,145,335	\$ 862,821

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2014	ISSUED	DECREASED	BALANCE DECEMBER 31, 2015
			DATE	AMOUNT					
Sewer Improvements	9/15/98	\$ 2,225,000	9/1/2015	170,000	4.50%	\$ 170,000	\$ -	170,000	\$ -
Water/Sewer Improvements	7/9/2010	4,980,000	7/14/2016	215,000	3.000%	4,195,000	-	210,000	3,985,000
			7/14/2017	220,000	3.000%				
			7/14/2018	230,000	3.250%				
			7/14/2019	235,000	3.250%				
			7/13/2020	250,000	3.250%				
			7/13/2021	250,000	3.250%				
			7/13/2022	260,000	3.250%				
			7/13/2023	280,000	3.500%				
			7/12/2024	295,000	4.000%				
			7/12/2025	320,000	4.000%				
			7/12/2026	320,000	4.000%				
Water/Sewer Improvements	11/15/2015	1,360,000	7/12/2027	350,000	4.000%	-	1,360,000	-	1,360,000
			7/11/2028	380,000	4.000%				
			7/11/2029	380,000	4.000%				
			11/15/2016	75,000	3.000%				
			11/15/2017	85,000	3.000%				
Water/Sewer Improvements	11/15/2018	1,500,000	11/15/2018	150,000	3.000%	-	-	-	-
			11/15/2019	150,000	4.000%				
			11/15/2020	150,000	2.000%				
			11/15/2021	150,000	2.000%				
			11/15/2022	150,000	2.000%				
			11/15/2023	150,000	2.000%				
			11/15/2024	150,000	2.125%				
11/15/2025	150,000	2.250%							
Total									\$ 4,365,000
Total									\$ 1,360,000
Total									\$ 380,000
Total									\$ 5,345,000

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN
FOR THE YEAR ENDED DECEMBER 31, 2015**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING 12/31/2015		INTEREST RATE	BALANCE			BALANCE DECEMBER 31, 2015
			DATE	AMOUNT		DECEMBER 31, 2014	ISSUED	DECREASED	
Water/Sewer Improvements	5/21/2014	\$ 405,000	8/1/2016	\$ 15,000.00	3.000%	\$ -	\$ 405,000	\$ 15,000	\$ 390,000
			8/1/2017	15,000.00	3.000%				
			8/1/2018	15,000.00	5.000%				
			8/1/2019	15,000.00	5.000%				
			8/1/2020	20,000	5.000%				
			8/1/2021	20,000	5.000%				
			8/1/2022	20,000	5.000%				
			8/1/2023	20,000	5.000%				
			8/1/2024	20,000	5.000%				
			8/1/2025	20,000	3.000%				
			8/1/2026	25,000	3.000%				
			8/1/2027	25,000	3.000%				
			8/1/2028	25,000	3.000%				
			8/1/2029	25,000	3.000%				
			8/1/2030	25,000	3.000%				
			8/1/2031	25,000	3.000%				
			8/1/2032	30,000	3.125%				
			8/1/2033	30,000	3.250%				
Total						\$ -	\$ 405,000	\$ 15,000	\$ 390,000

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN
FOR THE YEAR ENDED DECEMBER 31, 2015**

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE			BALANCE DECEMBER 31, 2015
			DATE	AMOUNT		DECEMBER 31, 2014	ISSUED	DECREASED	
Water/Sewer Improvements	5/21/2014	\$ 405,000	2/1/2016	\$ 6,968.83	0.000%	\$ -	\$ 980,927	\$ 604,610	\$ 376,317
			8/1/2016	13,937.66	0.000%				
			2/1/2017	6,968.83	0.000%				
			8/1/2017	13,937.66	0.000%				
			2/1/2018	6,968.83	0.000%				
			8/1/2018	13,937.66	0.000%				
			2/1/2019	6,968.83	0.000%				
			8/1/2019	13,937.66	0.000%				
			2/1/2020	6,968.83	0.000%				
			8/1/2020	13,937.66	0.000%				
			2/1/2021	6,968.83	0.000%				
			8/1/2021	13,937.66	0.000%				
			2/1/2022	6,968.83	0.000%				
			8/1/2022	13,937.66	0.000%				
			2/1/2023	6,968.83	0.000%				
			8/1/2023	13,937.66	0.000%				
			2/1/2024	6,968.83	0.000%				
			8/1/2024	13,937.66	0.000%				
			2/1/2025	6,968.83	0.000%				
			8/1/2025	13,937.66	0.000%				
			2/1/2026	6,968.83	0.000%				
			8/1/2026	13,937.66	0.000%				
			2/1/2027	6,968.83	0.000%				
			8/1/2027	13,937.66	0.000%				
			2/1/2028	6,968.83	0.000%				
			8/1/2028	13,937.66	0.000%				
			2/1/2029	6,968.83	0.000%				
			8/1/2029	13,937.66	0.000%				
			2/1/2030	6,968.83	0.000%				
			8/1/2030	13,937.66	0.000%				
			2/1/2031	6,968.83	0.000%				
			8/1/2031	13,937.66	0.000%				
			2/1/2032	6,968.83	0.000%				
8/1/2032	13,937.66	0.000%							
2/1/2033	6,968.83	0.000%							
8/1/2033	13,937.66	0.000%							
Total						\$ -	\$ 980,927	\$ 604,610	\$ 376,317
								34,844	
								569,766	
								<u>604,610</u>	

**BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT 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			BALANCE	
						DECEMBER 31, 2014	INCREASED	DECREASED	DECEMBER 31, 2015	
05-22	Various Improvements	9/24/13	9/24/14	9/23/15	0.960%	\$ 17,845	\$ -	\$ 17,845	\$ -	
11-01	Various Improvements	9/24/13	9/24/14	9/23/15	0.960%	450,000	-	450,000	-	
12-02	Various Improvements	9/24/13	9/24/14	9/23/15	0.960%	426,405	-	426,405	-	
12-03	Various Improvements	1/22/15	1/22/15	1/22/16	0.610%	-	500,000	-	500,000	
12-04	Drainage Improvements at Powhatan Ave	9/24/13	9/24/14	9/23/15	0.960%	85,263	-	85,263	-	
12-05	Replacement of Pumping Stations	9/24/13 1/22/15	9/24/14 1/22/15	9/23/15 1/22/16	0.960% 0.610%	149,067 -	- 1,700,000	149,067 -	- 1,700,000	
12-16	Various Improvements	9/24/13	9/24/14	9/23/15	0.960%	231,420	-	231,420	-	
13-20	Various Improvements	1/22/15	1/22/15	1/22/16	0.610%	-	1,000,000	-	1,000,000	
						<u>\$ 1,360,000</u>	<u>\$ 3,200,000</u>	<u>\$ 1,360,000</u>	<u>\$ 3,200,000</u>	

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	BONDS AND NOTES ISSUED	BALANCE DECEMBER 31, 2015
10-15, 12-03	Various Improvements	\$ 969,480	\$ -	\$ 500,000	\$ 469,480
12-05	Replacement of Pumping Stations	1,777,058	-	1,777,058	-
13-20	Various Improvements	1,111,357	-	1,000,000	111,357
14-10	Various Improvements	270,133	-	-	270,133
15-01	Repair of Sanitary Sewer Line	-	116,375	-	116,375
15-19	Various Improvements	-	560,025	-	560,025
		<u>\$ 4,128,028</u>	<u>\$ 676,400</u>	<u>\$ 3,277,058</u>	<u>\$ 1,527,370</u>

NJFIT Loans Issued	\$ 1,385,927
Notes Issued	1,891,131
	<u>\$ 3,277,058</u>

PAYROLL FUND

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EXHIBIT F-1

**BOROUGH OF POINT PLEASANT
PAYROLL FUND
SCHEDULE OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 132,215
Increased by Receipts:	
Payroll	<u>9,470,679</u>
Subtotal	9,602,894
Decreased by Disbursements:	
Disbursements	<u>9,480,347</u>
Balance December 31, 2015	<u><u>\$ 122,547</u></u>

EXHIBIT F-2

**SCHEDULE OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 58,307
Increased by:	
Payroll Deductions	<u>9,480,347</u>
Subtotal	9,538,654
Decreased by:	
Disbursements	<u>9,455,521</u>
Balance December 31, 2015	<u><u>\$ 83,133</u></u>

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SINGLE AUDIT SECTION

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HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

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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**

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

Our consideration of internal control 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Borough of Point Pleasant as of and for the year ended December 31, 2015, and have issued our report thereon dated June 29, 2016, which contained a qualified opinion on the regulatory basis of accounting. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



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

Toms River, New Jersey
June 29, 2016

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**BOROUGH OF POINT PLEASANT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Contract Number</u>	<u>Grant Period</u>	<u>Grant Award</u>	<u>Cash Received</u>	<u>Expenditures</u>	<u>Cumulative Expenditures</u>
<u>Department of Housing & Urban Development</u>							
Pass Through County of Ocean CDBG-Roadway Improvements	14.218	Not Available	Open	\$ 91,568	\$ -	\$ 30,919	\$ 91,568
Total Department of Housing & Urban Development				<u>91,568</u>	<u>-</u>	<u>30,919</u>	<u>91,568</u>
<u>Environmental Protection Agency</u>							
Capitalization Grants for State Revolving Funds	66.458	2016-022-8030-495-009	Open	1,385,927	1,385,927	913,090	961,419
Total Environmental Protection Agency				<u>1,385,927</u>	<u>1,385,927</u>	<u>913,090</u>	<u>961,419</u>
<u>Department of Justice</u>							
Pass-Through State of N.J. Department of Law and Public Safety:							
Click It or Ticket	20.616	2015-066-1160-100-155	2015	2,800	2,800	200	200
Drive Sober or Get Pulled Over	20.616	2015-066-1160-100-157	2015	10,000	4,050	5,422	5,422
Cops in Shops	20.616	2015-066-1400-100-025	2015	2,000	2,000	1,800	1,800
Total Department of Justice				<u>14,800</u>	<u>8,850</u>	<u>7,422</u>	<u>7,422</u>
<u>Department of Homeland Security (DHS)</u>							
Federal Emergency Management Agency(FEMA) Department of Homeland Security (DHS) Public Assistance Grants Superstorm Sandy	97.036	2013-066-1200-100-A92	Open	1,618,933	585,183	585,183	1,618,933
Total Department of Homeland Security (DHS)				<u>1,618,933</u>	<u>585,183</u>	<u>585,183</u>	<u>1,618,933</u>
Total Federal Financial Awards				<u>\$ 3,111,228</u>	<u>\$ 1,979,960</u>	<u>\$ 1,536,614</u>	<u>\$ 2,679,342</u>

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**POINT PLEASANT BOROUGH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1. General

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

Note 2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is 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 Borough'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*, 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 Borough's general-purpose financial statements. Expenditures from awards are reported in the Borough's financial statement as follows:

	Federal
*FEMA Cash Receipts	
- 2014 Expenditures	\$ 585,183
Grant Fund Expenditures	38,341
Utility Capital Expenditures	913,090
	\$ 1,536,614

*Expenditures on the SEFA for FEMA are actual cash receipts received during 2015 for expenditures the Borough made in the 2014 year. In accordance with Federal Emergency Management Agency, expenditures from Super Storm Sandy are recorded only when FEMA funds have been released to the Municipality.

POINT PLEASANT BOROUGH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 5. Relationship to Federal Financial Report

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

Note 6. Major Programs

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

Note 7. 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.

**POINT PLEASANT BOROUGH
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Regulatory Basis - Qualified for LOSAP</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	Yes
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to basic financial Statements noted?	Yes

Federal Awards

Dollar threshold used to distinguish between type A programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	No

Federal CFDA Number

66.458

Name of Federal Program

Capitalization Grants for State Revolving Funds

POINT PLEASANT BOROUGH
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal 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 basic financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

***Finding 2015-01:**

Criteria or Specific Requirement:

Monthly activity and ending balances in the tax and water-sewer billing and collection system should be properly reported and reconciled with the general ledger system.

Condition:

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

Context:

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

Effect:

The general ledger maintained by the Chief Financial Officer is not reconciled with the activity and ending balances in the tax and water-sewer billing and collection system.

Recommendation:

The Borough should implement procedures to ensure all activity of the Tax Collector and Water-Sewer Collector is reported accurately and posted to the Finance Office.

Views of Responsible Officials and Planned Corrective Action:

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

Finding 2015-02:

Criteria or Specific Requirement:

All employees should use electronic timesheets to track hours worked per pay period.

POINT PLEASANT BOROUGH
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2015

Finding 2015-02 (continued):

Condition:

It was noted during our audit that the Police & Recreation Departments uses manual timesheets.

Context:

The manual timesheets used by the Police & Recreation Departments are approved at the end of a pay period, and not real-time to track daily activity.

Effect:

Manual timesheets increase the risk of manipulation or misreporting of employees' hours.

Recommendation:

The Borough should implement procedures to ensure all employees use the Borough's electronic time-keeping system.

Views of Responsible Officials and Planned Corrective Action:

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

Finding 2015-03:

Criteria or Specific Requirement:

Open purchase orders should be reviewed throughout the year and at year-end and appropriate action should be taken when it is determined that the open purchase order is no longer valid.

Condition:

It was noted during our audit that the Borough has purchase orders outstanding in the General Capital Fund that should be cancelled.

Context:

Numerous purchase orders outstanding in the Borough's General Capital Fund were not cancelled after final change orders were approved.

Effect:

Failure to take action on open purchase orders could lead to the Borough overstating amounts charged to ordinances.

POINT PLEASANT BOROUGH
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2015

Finding 2015-03 (continued):

Recommendation:

That the Borough review all outstanding purchase orders at year-end and take appropriate action.

Views of Responsible Officials and Planned Corrective Action:

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

Section III – Federal Awards Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR Section 200 (Uniform Guidance).

No Current Year Findings

**POINT PLEASANT BOROUGH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended December 31, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, 2 CFR Section 200 (Uniform Guidance) and New Jersey OMB's Circular 15-08.

Finding 2014-01:

Condition:

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

Current Status:

This item has not been corrected.

Finding 2014-02:

Condition:

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

Current Status:

This item has been corrected.

Finding 2014-03:

Condition:

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

Current Status:

This item has been corrected.

**POINT PLEASANT BOROUGH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT (continued):
For the Fiscal Year Ended December 31, 2015**

Finding 2014-04:

Condition:

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

Current Status:

This item has been corrected.

**BOROUGH OF POINT PLEASANT
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
Borough Council
Borough of Point Pleasant
Point Pleasant, New Jersey 08742

SCOPE OF AUDIT

We have audited the financial statements of the Borough of Point Pleasant 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.

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, Water & Sewer Utility Rents and Assessments

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

The governing body on January 4, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Point Pleasant, County of Ocean, State of New Jersey, as follows:

1. The rate of interest to be charged for the non-payment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed at 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum any amount in excess of \$1,500.00. The same to be calculated from the date of actual payment provided, however, that no interest be charged if payment is made within ten (10) days after the date upon which same became payable.
2. That a 6% year end penalty be assessed on the last day of the fiscal year on delinquent accounts when in excess of \$10,000.00

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

Delinquent Taxes and Tax Title Liens

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

YEAR	NUMBER OF LIENS
2015	5
2014	6
2013	6

Deductions From Taxes

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

Municipal Court

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

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

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 partial payment or estimate.

Deposit of Funds Paid to Local Unit

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

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

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

Payroll

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

Follow-Up of Prior Year Findings

In accordance with Government Auditing Standards our procedures included a review of all prior year audit findings. All Findings from the prior year that were not corrected in the current year are addressed with an asterisk.

Findings/Recommendations

***Finding 2015-01:**

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

Recommendation:

The Borough should implement procedures to ensure all activity of the Tax Collector and Water-Sewer Collector is reported accurately and posted to the Finance Office.

Finding 2015-02:

It was noted during our audit that the Police & Recreation Departments uses manual timesheets. Manual timesheets increase the risk of manipulation or misreporting of employees' hours.

Recommendation:

The Borough should implement procedures to ensure all employees use the Borough's electronic time-keeping system.

Findings/Recommendations (continued)

Finding 2015-03:

It was noted during our audit that the Borough has purchase orders outstanding in the General Capital Fund that should be cancelled.

Recommendation:

That the Borough review all outstanding purchase orders at year-end and take appropriate action.

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	POSITION	AMOUNT OF BOND
Robert A. Sabosik	Mayor	
Antoinette DePaola	Council President	
William Borowsky	Councilmember	
Joseph Furmato Jr.	Councilmember	
Pamela Snyder	Councilmember	
Michael Thulen Jr.	Councilmember	
John Wisniewski	Councilmember	
Frank Pannucci, Jr.	Borough Administrator	
Antoinette Jones	Borough Clerk	
Christopher J. Dasti, Esq.	Attorney	
Himanshu Shah	Chief Financial Officer	
Jennifer Burr	Tax Collector	\$1,000,000
James A. Liguori	Magistrate	
Tracey McCrystal	Court Administrator	\$1,000,000

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

Acknowledgment

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

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.



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

Toms River, New Jersey
June 29, 2016