

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**YEAR ENDED**

**DECEMBER 31, 2013**

***Oliwa & Company***  
Certified Public Accountants

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**Year Ended December 31, 2013**

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**BOROUGH OF MANTOLOKING**  
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**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS**

**FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2013**

# *Oliwa & Company*

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the Borough Council  
Borough of Mantoloking  
County of Ocean  
Mantoloking, New Jersey

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and the account group of the Borough of Mantoloking, County of Ocean, State of New Jersey (the "Borough") as of December 31, 2013 and 2012, and the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2013, and the related notes to the financial statements which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

## **Auditor's Responsibility (continued)**

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the Borough prepares its financial statements in accordance with the financial reporting provisions 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. 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, the financial position of the Borough as of December 31, 2013 and 2012, or changes in its financial position or, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the various funds and the account group of the Borough as of December 31, 2013 and 2012, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2013 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## **Other Matters**

Our audits were conducted for the purpose of forming opinions on the financial statements, which collectively comprise the Borough's financial statements. The supplementary schedules and comments section as listed in the table of contents 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 are not a part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements.

**Other Matters (continued)**

The supplementary schedules, comments section and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 supplementary schedules, comments section and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 2014 on our consideration of the 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 the Borough's internal control over financial reporting and compliance.



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
September 15, 2014



Certified Public Accountants

**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**

To the Honorable Mayor and  
Members of the Borough Council  
Borough of Mantoloking  
County of Ocean  
Mantoloking, New Jersey

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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the regulatory basis financial statements of the Borough of Mantoloking, County of Ocean, State of New Jersey (the "Borough") as of and for the year ended December 31, 2013, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated September 15, 2014, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the regulatory basis 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 regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. 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 entity'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.

## **Internal Control Over Financial Reporting (continued)**


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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
September 15, 2014

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Cash and Cash Equivalents:			
Cash	A-4	\$6,964,606.70	\$3,370,766.56
Change Funds		200.00	200.00
		<u>6,964,806.70</u>	<u>3,370,966.56</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	35,385.87	225,104.10
Sewer Charges Receivable	A-6		831.37
Revenue Accounts Receivable	A-7	3,663.92	1,730.81
Due from Animal Control Fund		40.00	116.00
	A	<u>39,089.79</u>	<u>227,782.28</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-54)		<u>5,680,000.00</u>	<u>2,000,000.00</u>
		<u>12,683,896.49</u>	<u>5,598,748.84</u>
Federal and State Grant Fund:			
Due from Current Fund		<u>49,317.47</u>	<u>42,345.67</u>
		<u>\$12,733,213.96</u>	<u>\$5,641,094.51</u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Appropriation Reserves	A-3,A-8	\$270,948.21	\$432,606.47
Reserve for Encumbrances		388,856.49	639,556.94
Accounts Payable		689.63	
Prepaid Taxes		178,539.68	88,650.61
Tax Overpayments		5,802.31	29,977.97
County Taxes Payable	A-9	8,959.99	12,768.61
Local District School Taxes Payable	A-10	16,087.25	5,362.73
Special Emergency Notes Payable		5,800,000.00	2,000,000.00
Due to Other Trust Fund		1,500.00	
Due to State of New Jersey (P.L. 1971, C. 20)		630.00	530.00
Due to Federal and State Grant Fund		49,317.47	42,345.67
Various Reserves	A-11	4,183,129.77	877,447.85
		10,904,460.80	4,129,246.85
Reserves for Receivables and Other Assets	A	39,089.79	227,782.28
Fund Balance	A-1	1,740,345.90	1,241,719.71
		<u>12,683,896.49</u>	<u>5,598,748.84</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-13	41,327.24	41,232.71
Unappropriated Reserves	A-14	7,990.23	1,112.96
		<u>49,317.47</u>	<u>42,345.67</u>
		<u>\$12,733,213.96</u>	<u>\$5,641,094.51</u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$528,000.00	\$531,500.19
Miscellaneous Revenue Anticipated	A-2	3,023,455.84	581,493.16
Receipts from Delinquent Taxes	A-2	225,104.10	55,057.66
Receipts from Current Taxes	A-2	6,496,618.46	8,598,695.46
Receipts from Sewer Charges	A-6	826.05	
Non-Budget Revenues	A-2	67,308.61	32,680.08
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	358,983.72	292,199.73
Various Reserves Canceled	A-11	18.00	
Interfunds Returned		116.00	88.78
Other Cancellations		3.65	
Statutory Excess in Animal Control Fund			116.00
Canceled Prior Year Tax Overpayments			616.23
Canceled Prior Year Accounts Payable			862.89
Canceled Sewer Overpayments			0.81
Total Revenue		<u>10,700,434.43</u>	<u>10,093,310.99</u>
<b><u>Expenditures</u></b>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	1,680,520.00	1,463,250.00
Other Expenses	A-3	6,530,880.00	3,429,294.00
Deferred Charges and Statutory Expenditures	A-3	348,000.00	280,100.00
Budget Appropriations Excluded from CAPS:			
Operations:			
Other Expenses	A-3	244,212.96	164,243.75
Capital Improvements	A-3	85,500.00	51,500.00
Municipal Debt Service	A-3	6,000.00	356,143.00
Deferred Charges	A-3	1,620,000.00	2,000.00
County Taxes	A-9	4,185,556.75	5,850,196.43
Local District School Tax	A-10	71,501.00	59,499.60
Refunds			450.20
Tax Appeals	A-4	1,592.21	9,311.77
Other			772.83
Cancelled Sewer Charges Receivable	A-6	5.32	
Interfunds Advanced		40.00	116.00
Total Expenditures		<u>14,773,808.24</u>	<u>11,666,877.58</u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2013 and 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
(Deficit)/Excess in Revenue		(\$4,073,373.81)	(\$1,573,566.59)
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Years		<u>5,100,000.00</u>	<u>2,000,000.00</u>
Statutory Excess to Fund Balance		1,026,626.19	426,433.41
Fund Balance January 1	A	<u>1,241,719.71</u>	<u>1,346,786.49</u>
		2,268,345.90	1,773,219.90
Decreased by:			
Utilized as Anticipated Revenue	A-1,A-2	<u>528,000.00</u>	<u>531,500.19</u>
Fund Balance December 31	A	<u><u>\$1,740,345.90</u></u>	<u><u>\$1,241,719.71</u></u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

		<u>Anticipated</u>			
	<u>Ref.</u>	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$528,000.00		\$528,000.00	
Miscellaneous Revenues:					
Municipal Court Fines and Costs	A-7	30,000.00		53,484.79	\$23,484.79
Interest and Costs on Taxes	A-7	13,000.00		29,222.07	16,222.07
Interest on Investments and Deposits	A-7	10,000.00		12,207.02	2,207.02
Energy Receipts Tax	A-7	147,440.00		147,440.00	
Uniform Construction Code Fees	A-7	25,000.00		194,474.00	169,474.00
Beach Badge Fees	A-7	30,000.00		28,441.00	(1,559.00)
Body Armor Fund	A-12	1,112.96		1,112.96	
Clean Communities Grant	A-12	4,000.00		4,000.00	
FEMA - Beach Push	A-12	102,000.00		102,000.00	
General Capital Fund Surplus	A-7	200,000.00		200,000.00	
Community Disaster Loan Proceeds	A-7	831,074.00		831,074.00	
FEMA Receivables	A-7	1,420,000.00		1,420,000.00	
	A-1	2,813,626.96	\$0.00	3,023,455.84	209,828.88
Receipts from Delinquent Taxes	A-1,A-2	70,000.00		225,104.10	155,104.10
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes	A-2, A-5	2,259,678.00		2,495,752.71	236,074.71
Budget Totals		5,671,304.96	0.00	6,272,312.65	\$601,007.69
Non-Budget Revenues	A-2			67,308.61	
		<u>\$5,671,304.96</u>	<u>\$0.00</u>	<u>\$6,339,621.26</u>	
	<u>Ref.</u>	<u>A-3</u>	<u>A-3</u>		

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	
<b><u>Analysis of Realized Revenues</u></b>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,A-5	\$6,496,618.46
Allocated to School and County Taxes		<u>4,257,057.75</u>
Balance for Support of Municipal Budget Appropriations		2,239,560.71
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>256,192.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$2,495,752.71</u></u>
<b><u>Receipts from Delinquent Taxes:</u></b>		
Delinquent Tax Collections	A-2,A-5	<u><u>\$225,104.10</u></u>
<b><u>Analysis of Non-Budget Revenues:</u></b>		
Variance Applications		\$38,080.00
Police Outside Administration Fees		8,008.50
Other Refunds and Reimbursements		4,770.21
Cable TV Franchise Fees		4,768.71
Insurance Refund		3,587.13
Recycling		3,355.88
Fees and Permits		2,536.00
Copies		450.18
DMV Inspection Fees		450.00
Flag Poles		365.00
Fire Safety LEA		291.85
Police Fees		245.00
Certified Lists		180.15
Senior Citizens & Veterans Administrative Fee		100.00
Polling		100.00
Returned Check Fees		20.00
	A-1,A-2,A-4	<u><u>\$67,308.61</u></u>

See Accompanying Notes



**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
<b>GENERAL GOVERNMENT</b>					
Municipal Clerk's Office					
Salaries and Wages	\$141,300.00	\$143,300.00	\$141,753.66	\$1,546.34	
Other Expenses	42,000.00	42,000.00	41,738.85	261.15	
Financial Administration					
Salaries and Wages	83,900.00	86,900.00	85,728.93	1,171.07	
Other Expenses	15,000.00	15,300.00	15,119.85	180.15	
Auditing Services					
Other Expenses	26,000.00	24,000.00	23,500.00	500.00	
Collection of Taxes					
Salaries and Wages	12,300.00	12,300.00	12,171.12	128.88	
Other Expenses	1,200.00	1,200.00	709.23	490.77	
Assessment of Taxes					
Salaries and Wages	30,000.00	22,450.00	22,425.12	24.88	
Other Expenses	1,900.00	1,900.00	1,384.91	515.09	
Legal Services and Costs					
Other Expenses	162,000.00	242,000.00	186,641.61	55,358.39	
Engineering Services and Costs					
Other Expenses	137,000.00	137,000.00	136,231.01	768.99	
<b>LAND USE ADMINISTRATION</b>					
Planning Board					
Salaries and Wages	61,000.00	55,000.00	52,429.70	2,570.30	
Other Expenses	15,000.00	19,500.00	18,244.67	1,255.33	

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
<b>INSURANCE</b>					
General Liability	\$101,000.00	\$81,000.00	\$78,437.50	\$2,562.50	
Workers Compensation	75,000.00	75,000.00	73,086.76	1,913.24	
Employee Group Health	275,600.00	240,600.00	236,341.31	4,258.69	
Health Benefits Waiver	31,800.00	28,300.00	27,856.69	443.31	
<b>PUBLIC SAFETY</b>					
Police Department					
Salaries and Wages	928,900.00	928,900.00	851,244.77	77,655.23	
Other Expenses	75,800.00	80,800.00	80,796.02	3.98	
Emergency Management Services					
Other Expenses	4,500.00	4,500.00	1,576.55	2,923.45	
Aid to Ambulance Companies					
Other Expenses	1,400.00	1,400.00	1,400.00		
Fire Prevention					
Other Expenses	26,000.00	26,000.00	23,948.02	2,051.98	
Uniform Fire Safety Act (P.L. 1983, C383)					
Salaries and Wages	3,600.00	3,650.00	3,606.77	43.23	
Municipal Prosecutor					
Other Expenses	9,500.00	9,500.00	6,772.50	2,727.50	
Municipal Court					
Salaries and Wages	44,200.00	40,200.00	38,884.28	1,315.72	
Other Expenses	6,380.00	6,380.00	2,592.72	3,787.28	
Public Defender					
Other Expenses	3,300.00	3,300.00		3,300.00	

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
<b>PUBLIC WORKS</b>					
Road Repairs and Maintenance					
Salaries and Wages	\$105,500.00	\$216,500.00	\$209,355.84	\$7,144.16	
Other Expenses	36,000.00	24,000.00	21,942.46	2,057.54	
Solid Waste Collection					
Other Expenses	89,000.00	54,000.00	44,300.55	9,699.45	
Building and Grounds					
Other Expenses	36,000.00	18,000.00	16,040.93	1,959.07	
Hurricane Sandy (Emergency \$5,100,000.00)		5,100,000.00	5,100,000.00		
Sewer System					
Other Expenses	33,000.00	23,000.00	21,543.81	1,456.19	
<b>HEALTH AND HUMAN SERVICES</b>					
Board of Health					
Salaries and Wages	200.00	200.00	199.92	0.08	
Animal Control Services					
Other Expenses	3,200.00	3,300.00	3,049.00	251.00	
Municipal Alliance Program					
Other Expenses	300.00	300.00		300.00	
<b>PARK AND RECREATION</b>					
Administration of Beach Access					
Salaries and Wages	43,520.00	25,520.00	25,088.94	431.06	
Other Expenses	4,000.00	3,000.00	2,731.33	268.67	
Beach Maintenance					
Other Expenses	137,500.00	137,500.00	130,265.98	7,234.02	

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
<b>STATE UNIFORM CONSTRUCTION CODE</b>					
Construction Code Official					
Salaries and Wages	\$141,000.00	\$116,000.00	\$114,354.69	\$1,645.31	
Other Expenses	11,200.00	11,200.00	9,122.40	2,077.60	
Plumbing Official					
Salaries and Wages	11,500.00	10,000.00	7,597.50	2,402.50	
Fire Protection Official					
Salaries and Wages	11,500.00	8,000.00	6,985.00	1,015.00	
Electrical Inspector					
Salaries and Wages	11,500.00	11,600.00	11,150.00	450.00	
<b>UNCLASSIFIED</b>					
Utility Expenses					
Electricity	38,000.00	38,000.00	25,980.97	12,019.03	
Telephone	17,000.00	17,000.00	15,748.39	1,251.61	
Water	6,000.00	6,000.00	2,606.27	3,393.73	
Water - Fire Hydrants	30,000.00	30,000.00	24,003.35	5,996.65	
Natural Gas	10,000.00	10,000.00	5,390.22	4,609.78	
Gasoline	50,000.00	15,000.00		15,000.00	
Total Operations - Within "CAPS"	3,141,500.00	8,210,500.00	7,962,080.10	248,419.90	
Contingent	900.00	900.00	99.56	800.44	
Total Operations Including Contingent Within "CAPS"	3,142,400.00	8,211,400.00	7,962,179.66	249,220.34	
Salaries and Wages	1,629,920.00	1,680,520.00	1,582,976.24	97,543.76	
Other Expenses (including Contingent)	1,512,480.00	6,530,880.00	6,379,203.42	151,676.58	

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After</u></b> <b><u>Modification</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Balance</u></b> <b><u>Canceled</u></b>
<b><u>Operations Within "CAPS"</u></b>					
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System	\$49,000.00	\$49,000.00	\$48,852.00	\$148.00	
Social Security System (O.A.S.I.)	95,000.00	126,000.00	112,012.33	13,987.67	
Police and Firemen's Retirement System of N.J.	173,000.00	173,000.00	172,923.00	77.00	
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>317,000.00</u>	<u>348,000.00</u>	<u>333,787.33</u>	<u>14,212.67</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>3,459,400.00</u>	<u>8,559,400.00</u>	<u>8,295,966.99</u>	<u>263,433.01</u>	
<b><u>Operations Excluded from "CAPS"</u></b>					
Employee Group Health	13,100.00	13,100.00	13,100.00		
SEWER SYSTEM					
Ocean County Utilities Authority					
Share of Costs	<u>110,000.00</u>	<u>110,000.00</u>	<u>102,484.80</u>	<u>7,515.20</u>	
Total Other Operations Excluded from "CAPS"	<u>123,100.00</u>	<u>123,100.00</u>	<u>115,584.80</u>	<u>7,515.20</u>	
Additional Appropriations Offset by Revenues					
Beach Maintenance					
Other Expenses	<u>14,000.00</u>	<u>14,000.00</u>	<u>14,000.00</u>		

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After</u></b> <b><u>Modification</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Balance</u></b> <b><u>Canceled</u></b>
<b><u>Operations Excluded from "CAPS"</u></b>					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Body Armor Fund					
Other Expenses	\$1,112.96	\$1,112.96	\$1,112.96		
Clean Communities Grant					
Other Expenses (40A:4-87, \$4,000.00+)	4,000.00	4,000.00	4,000.00		
FEMA - Beach Push	102,000.00	102,000.00	102,000.00		
Total Public and Private Programs Offset by Revenues	<u>107,112.96</u>	<u>107,112.96</u>	<u>107,112.96</u>		
Total Operations Excluded from "CAPS"	<u>244,212.96</u>	<u>244,212.96</u>	<u>236,697.76</u>	<u>\$7,515.20</u>	
Detail:					
Other Expenses	<u>244,212.96</u>	<u>244,212.96</u>	<u>236,697.76</u>	<u>7,515.20</u>	
<b><u>Capital Improvements Excluded from "CAPS"</u></b>					
Capital Improvement Fund	57,000.00	57,000.00	57,000.00		
Beach Replenishment	28,500.00	28,500.00	28,500.00		
Total Capital Improvements Excluded From "CAPS"	<u>85,500.00</u>	<u>85,500.00</u>	<u>85,500.00</u>		

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Balance Canceled</u></b>
<u>Operations Excluded from "CAPS"</u>					
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Interest on Notes	\$6,000.00	\$6,000.00	\$6,000.00		
Total Municipal Debt Services - Excluded from "CAPS"	<u>6,000.00</u>	<u>6,000.00</u>	<u>6,000.00</u>		
<u>Deferred Charges - Municipal - Excluded from "CAPS"</u>					
Emergency Authorizations					
Special Emergency Authorizations -					
5 Years (N.J.S. 40A:4-54)	1,420,000.00	1,420,000.00	1,420,000.00		
Various Unfunded Capital Ordinances	200,000.00	200,000.00	200,000.00		
	<u>1,620,000.00</u>	<u>1,620,000.00</u>	<u>1,620,000.00</u>		
Total General Appropriations for Municipal					
Purposes Excluded from "CAPS"	1,955,712.96	1,955,712.96	1,948,197.76	\$7,515.20	
Subtotal General Appropriations	<u>5,415,112.96</u>	<u>10,515,112.96</u>	<u>10,244,164.75</u>	<u>270,948.21</u>	
Reserve for Uncollected Taxes	256,192.00	256,192.00	256,192.00		
Total General Appropriations	<u>\$5,671,304.96</u>	<u>\$10,771,304.96</u>	<u>\$10,500,356.75</u>	<u>\$270,948.21</u>	
	<b><u>Ref.</u></b>	A-2	A-1	A, A-1	
Budget	A-3	\$5,671,304.96			
Emergency Appropriation 40A:4-54		<u>5,100,000.00</u>			
		<u>\$10,771,304.96</u>			
	<b><u>Ref.</u></b>				
Disbursed	A-4		\$3,584,201.76		
Deferred Charge - Emergency Authorizations (40A:4-54)			\$1,420,000.00		
Reserve for Encumbrances			32,850.03		
Reserve for Hurricane Sandy	A-11		5,100,000.00		
Appropriated Reserves for Federal and State Grants	A-13		107,112.96		
Reserve for Uncollected Taxes	A-2		256,192.00		
			<u>\$10,500,356.75</u>		

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b><u>Assets</u></b>			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	<u>\$200.00</u>	<u>\$302.40</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-1	658,605.09	592,308.29
Due from Current Fund		<u>1,500.00</u>	
		<u>660,105.09</u>	<u>592,308.29</u>
		<u>\$660,305.09</u>	<u>\$592,610.69</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$160.00	\$148.00
Due to State of New Jersey	B-3		38.40
Due to Current Fund		<u>40.00</u>	<u>116.00</u>
		<u>200.00</u>	<u>302.40</u>
Other Trust Fund:			
Various Reserves	B-4	<u>660,105.09</u>	<u>592,308.29</u>
		<u>\$660,305.09</u>	<u>\$592,610.69</u>

See Accompanying Notes



**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

C

**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	C-2	\$1,438,029.07	\$1,368,612.73
Deferred Charges to Future Taxation:			
Unfunded	C-4	2,042,683.70	990,349.39
		<u>\$3,480,712.77</u>	<u>\$2,358,962.12</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Improvement Authorizations:			
Funded	C-5	\$167,755.51	\$121,304.48
Unfunded	C-5	1,804,780.45	570,343.15
Reserve for:			
Encumbrances	C-5	34,317.96	68,595.11
Beach Replenishment		1,085,352.15	1,056,852.15
Lyman Street Dune Walkover		30,184.46	30,184.46
Payment of Debt		1,888.22	1,888.22
Municipal Parking Lot		58,939.47	
Capital Improvement Fund	C-6	84,871.03	97,171.03
Fund Balance	C-1	212,623.52	412,623.52
		<u>\$3,480,712.77</u>	<u>\$2,358,962.12</u>

There were bonds and notes authorized but not issued of \$2,042,683.70 on December 31, 2013 and \$990,349.39 on December 31, 2012 (Schedule C-7).

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2013 and 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Balance, January 1	C	\$412,623.52	\$412,623.52
Decreased by:			
Payment to Current Fund as			
Anticipated Revenue	C-2	<u>200,000.00</u>	<u>-</u>
Balance, December 31	C	<u><u>\$212,623.52</u></u>	<u><u>\$412,623.52</u></u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
General Fixed Assets:			
Land		\$1,169,100.00	\$1,169,100.00
Buildings		1,397,286.51	1,387,726.51
Machinery and Equipment		2,186,468.65	2,130,222.25
		<u>\$4,752,855.16</u>	<u>\$4,687,048.76</u>
Investment in General Fixed Assets	D-1	<u>\$4,752,855.16</u>	<u>\$4,687,048.76</u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2013**

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

**A.     Reporting Entity**

The financial statements of the Borough of Mantoloking, County of Ocean, State of New Jersey (the "Borough"), include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the school board or the volunteer fire department, which are subject to separate audits.

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

**B.     Descriptions of Funds**

The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

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

**Animal Control Fund** - used to record animal license revenues and expenditures.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Descriptions of Funds (continued)**

**Other Trust Fund** - used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

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

**General Fixed Assets Account Group** - used to record fixed assets utilized in general government operations.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

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

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

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

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Accounting (continued)**

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

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

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation.

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

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

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

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Accounting (continued)**

**General Fixed Assets** - In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

**D. Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents its financial statements, as listed in the table of contents, as required by the Division, which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

**E. Budgets and Budgetary Accounting**

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

**F. Reclassification**

Certain prior period amounts have been reclassified to conform to the current year financial statement presentation.

## **NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

### **Deposits**

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

The Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that the market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2013 and 2012 the Borough's bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Uninsured and Uncollateralized	\$98,968.23	\$69,322.05
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>8,697,616.14</u> <u>\$8,796,584.37</u>	<u>5,100,956.14</u> <u>\$5,170,278.19</u>

In addition, as of December 31, 2013 and 2012, the Borough had \$87,219.06 and \$87,170.98, respectively, on deposit in the New Jersey Cash Management Fund (the "Fund"). These deposits are subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund.



**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)**

**Investments**

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered, in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a GUDPA bank;
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)**

**Investments (continued)**

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N. J. S. 40A: 5-15.1.

**NOTE 3. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the regulatory 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 (the "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 notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

**A. Long-Term Debt**

The Borough had no long-term debt at December 31, 2013 and December 31, 2012.

**B. Short-Term Debt**

As of December 31, 2013 and December 31, 2012 the Borough had no bond anticipation notes outstanding.

As of December 31, 2013 and December 31, 2012 the Borough's outstanding special emergency notes were as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
Hurricane Sandy	7/10/13	7/9/14	0.96%	\$5,800,000.00

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>
Hurricane Sandy	12/21/12	6/21/13	0.60%	\$2,000,000.00

**NOTE 3.      DEBT (continued)**

**B.      Short-Term Debt (continued)**

Short-term debt transactions for the years ended December 31, 2013 and 2012 are summarized as follows:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Current Fund:</u>				
Special Emergency				
Notes	<u>\$2,000,000.00</u>	<u>\$5,800,000.00</u>	<u>\$2,000,000.00</u>	<u>\$5,800,000.00</u>
	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Current Fund:</u>				
Special Emergency				
Notes	<u>\$0.00</u>	<u>\$2,000,000.00</u>	<u>\$0.00</u>	<u>\$2,000,000.00</u>

**C.      Bonds and Notes Authorized but not Issued**

**General Capital Fund**

At December 31, 2013 and 2012 the Borough had bonds and notes authorized but not issued of \$2,042,683.70 and \$990,349.39 respectively.

**NOTE 4. FIXED ASSETS**

Fixed assets activity for the years ended December 31, 2013 and 2012 was as follows:

	Balance Dec. 31, 2012	Additions	Dispositions	Balance Dec. 31, 2013
Land	\$1,169,100.00			\$1,169,100.00
Buildings	1,387,726.51	\$9,560.00		1,397,286.51
Machinery and Equipment	2,130,222.25	127,399.40	\$71,153.00	2,186,468.65
	<u>\$4,687,048.76</u>	<u>\$136,959.40</u>	<u>\$71,153.00</u>	<u>\$4,752,855.16</u>

	Balance Dec. 31, 2011	Additions	Dispositions	Balance Dec. 31, 2012
Land	\$1,169,100.00			\$1,169,100.00
Buildings	1,397,856.09		\$10,129.58	1,387,726.51
Machinery and Equipment	2,029,682.00	\$147,569.05	47,028.80	2,130,222.25
	<u>\$4,596,638.09</u>	<u>\$147,569.05</u>	<u>\$57,158.38</u>	<u>\$4,687,048.76</u>

In 2012 the Borough was impacted by Hurricane Sandy. The accompanying flooding caused significant damage to certain of the Borough's buildings and equipment. The Borough expects to receive insurance proceeds and Federal Emergency Management Agency funds to recover most of the costs associated with the repair and replacement of assets damaged by the storm. The carrying amount of the Borough's impaired buildings and equipment that are idle as of December 31, 2013 and 2012 is estimated at \$955,000.00.

**NOTE 5. FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2013 and 2012, which were appropriated and included as anticipated revenue in the current fund budget for the years ending December 31, 2014 and 2013 were as follows:

For the year ended December 31, 2014,

Current Fund	\$820,000.00
General Capital Fund	136,924.15

For the year ended December 31, 2013,

Current Fund	\$528,000.00
General Capital Fund	200,000.00

**NOTE 6. TAXES COLLECTED IN ADVANCE**

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

	Balance December 31,	
	2013	2012
Prepaid Taxes	\$178,539.68	\$88,650.61

**NOTE 7.      ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District, Regional School District and County, the tax rate is struck by the County Tax 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 on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Borough is responsible for remitting one hundred percent of the school and county to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school districts or county.

**NOTE 8.      DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

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

**NOTE 9.      ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED**

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2013 and 2012 were \$300,282.85 and \$251,359.38, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 10. SCHOOL TAXES**

Regulations provide for deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of local and regional school taxes on a school year basis and has elected to defer these taxes at December 31, 2013 and 2012 as follows:

	<u>Local District School Tax</u>	
	<u>2013</u>	<u>2012</u>
Balance of tax	\$42,900.99	\$32,176.47
Deferred	26,813.74	26,813.74
Tax Payable	<u>\$16,087.25</u>	<u>\$5,362.73</u>

**NOTE 11. UNEMPLOYMENT COMPENSATION INSURANCE**

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserves for unemployment compensation insurance at December 31, 2013 and 2012 were \$32,442.90 and \$29,267.09, respectively.

**NOTE 12. INTERFUND BALANCES**

The balances of interfund receivables and payables at December 31, 2013 and 2012 are presented below:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Receivables -		
Current Fund	\$40.00	\$116.00
Federal and State Grant Fund	49,317.47	42,345.67
Other Trust Fund	<u>1,500.00</u>	
	<u>\$50,857.47</u>	<u>\$42,461.67</u>
Payables -		
Current Fund	\$50,817.47	\$42,345.07
Animal Control Fund	<u>40.00</u>	<u>116.00</u>
	<u>\$50,857.47</u>	<u>\$42,461.07</u>

## **NOTE 13. PENSION PLANS**

### **Description of Systems**

The Borough contributes to the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS") cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions and Benefits in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

### **Funding Policy**

PERS employee contributions were 6.64% of base wages through June 30, 2013. Effective July 1, 2013 PERS employee contributions were 6.78% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually. Contributions to the plans for the past three years were as follows:

<u>PERS</u>		<u>PFRS</u>	
<u>Year</u>	<u>Borough</u>	<u>Year</u>	<u>Borough</u>
2013	\$48,852.00	2013	\$172,923.00
2012	52,092.00	2012	154,603.00
2011	54,217.00	2011	164,237.00

All contributions by the Borough were equal to the required contributions for each of the three years.

### **Defined Contribution Retirement Program**

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are five and one-half percent (5.50%) of base wages. Member contributions are matched by a three percent (3.00%) employer contribution.

**NOTE 14. DEFERRED COMPENSATION**

The Borough has adopted a Deferred Compensation Plan (the "Plan") in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey. The Plan enables the Borough's employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

**NOTE 15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

At December 31, 2013 the following deferred charge was reflected on the balance sheet of the current fund:

	Balance Dec. 31, 2013	2014 Budget Appropriation	Balance to Succeeding Budgets
Special Emergency Authorizations (40A:4-54)	<u>\$5,680,000.00</u>	<u>\$2,300,000.00</u>	<u>\$3,380,000.00</u>

The appropriation in the 2014 budget was not less than required by statute.

At December 31, 2012 the following deferred charge was reflected on the balance sheet of the current fund:

	Balance Dec. 31, 2012	2013 Budget Appropriation *	Balance to Succeeding Budgets
Special Emergency Authorization (40A:4-54)	<u>\$2,000,000.00</u>	<u>\$1,420,000.00</u>	<u>\$580,000.00</u>

\*The 2013 budget appropriation represents 1/5 of a special emergency authorization approved by the Borough in 2012 in the amount of \$2,000,000.00 and 1/5 of special emergency authorizations approved by the Borough in 2013 totaling \$5,100,000.00. The appropriation in the 2013 budget was not less than required by statute.

The Borough expects to be reimbursed from the Federal Emergency Management Agency for 90% of the amounts expended under the special emergency authorizations.

**NOTE 16. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts, theft and damage to and destruction of assets, errors and omission, injuries to employees, and natural disasters. The Borough is a member of the New Jersey Intergovernmental Insurance Fund (the "Fund"). The Fund 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, and is sustained through member premiums. There were no settlements in excess of insurance coverage in the past three years.



#### **NOTE 17. COMMUNITY DISASTER LOANS OUTSTANDING**

In 2013 the Borough approved a resolution authorizing the execution of a promissory note for a Community Disaster Loan (the "Loan") in the amount of \$831,074.00 with the United States Department of Homeland Security, Federal Emergency Management Agency. Loan proceeds of \$831,074.00 were utilized as an item of revenue in the Borough's 2013 current fund budget.

As of December 31, 2013, the Loan principal balance and related accrued interest were \$831,074.00 and \$3,586.14, respectively. The full principal amount of the Loan and all accumulated accrued interest is due on April 16, 2018, and the interest rate on the loan is 0.75% per annum. The term of the loan is five years, but may be extended. 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 Borough 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 18. COMMITMENTS AND CONTINGENCIES**

##### **Grant Financial Assistance**

The Borough receives certain financial assistance 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, 2013, the Borough's administration anticipates that no material liabilities will result from such audits.

##### **Tax Appeals**

There are certain tax appeal cases pending against the Borough before the New Jersey Tax Court, requesting a reduction of assessed valuation for 2014. The Borough intends to vigorously defend its assessments in each case. Under accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize liability, if any, until a case has been adjudicated.

##### **Legal Proceedings**

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration, are not likely to have a material adverse impact on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

**NOTE 19. SUBSEQUENT EVENTS**

On July 9, 2014 the Borough issued a special emergency note in the principal amount of \$3,300,000.00 at an interest rate of 0.70% per annum. All special emergency note principal with interest thereon is due on April 15, 2015.

On July 15, 2014 the Borough adopted an ordinance to authorize the issuance of bonds or notes of \$285,714.00 for preliminary expenses in connection with the construction of a municipal building.

On July 15, 2014 the Borough adopted an ordinance to authorize the issuance of bonds or notes of \$663,809.00 for various road and sidewalk improvements throughout the Borough.

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART II**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2013**

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>		
Balance, December 31, 2012	A		\$3,370,766.56
Increased by Receipts:			
State of New Jersey (P.L. 1971, C. 20)		\$5,100.00	
Taxes Receivable	A-5	6,621,658.04	
Revenue Accounts Receivable	A-7	1,496,972.88	
Interfunds		116.00	
Petty Cash		50.00	
Tax Overpayments		16,278.66	
Non-Budget Revenues	A-2	67,308.61	
Prepaid Taxes		178,539.68	
Special Emergency Notes Payable		5,800,000.00	
Various Reserves	A-11	4,188,808.50	
Grants Receivable	A-12	4,000.00	
Unappropriated Reserves	A-14	7,990.23	
			<u>18,386,822.60</u>
			21,757,589.16
Decreased by Disbursements:			
Budget Appropriations	A-3	3,584,201.76	
Appropriation Reserves	A-8	80,746.05	
County Taxes Payable	A-9	4,189,365.37	
Local School District Tax	A-10	60,776.48	
Various Reserves	A-11	4,207,102.12	
Appropriated Reserves	A-13	5,018.43	
Tax Overpayments		34,040.41	
Special Emergency Notes Payable		2,000,000.00	
Reserve for Encumbrances		630,089.63	
Petty Cash		50.00	
Tax Appeals	A-1	1,592.21	
			<u>14,792,982.46</u>
Balance, December 31, 2013	A		<u><u>\$6,964,606.70</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**Year Ended December 31, 2013**

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013 Levy</u>	<u>Collections by Cash</u>		<u>Senior</u> <u>Citizens and</u> <u>Veterans</u> <u>Deductions</u>	<u>Overpayments</u> <u>Applied</u>	<u>Taxes</u> <u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
			<u>2012</u>	<u>2013</u>				
2012	\$225,104.10			\$225,104.10				
2013		\$6,532,053.98	\$88,650.61	6,396,553.94	\$5,000.00	\$6,413.91	\$49.65	\$35,385.87
	<u>\$225,104.10</u>	<u>\$6,532,053.98</u>	<u>\$88,650.61</u>	<u>\$6,621,658.04</u>	<u>\$5,000.00</u>	<u>\$6,413.91</u>	<u>\$49.65</u>	<u>\$35,385.87</u>
<u>Ref.</u>	A			A-4				A

**Analysis of 2013 Property Tax Levy****Ref.**

## Tax Yield:

General Purpose Tax  
 Added Taxes (54:4-63.1 Et Seq.)

\$6,518,139.33  
13,914.65  
\$6,532,053.98

## Tax Levy:

Local School District Tax

A-10

71,501.00

## County Taxes:

County Tax

A-9

\$3,500,417.44

County Library Tax

A-9

401,716.33

County Health Tax

A-9

145,354.62

County Open Space Tax

A-9

129,108.37

Due County for Added and Omitted Taxes

A-9

8,959.99

Total County Taxes

4,185,556.75

Local Tax for Municipal Purposes

A-2

2,259,678.00

Add: Additional Tax Levied

15,318.23

Local Tax for Municipal Purposes Levied

2,274,996.23\$6,532,053.98

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF SEWER CHARGES RECEIVABLE**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>		
Balance, December 31, 2012	A		\$831.37
Decreased by:			
Collections	A-1	826.05	
Cancelled	A-1	5.32	
		<u>          </u>	<u>831.37</u>
Balance, December 31, 2013	A		<u><u>\$0.00</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	<b><u>Balance Dec. 31, 2012</u></b>	<b><u>Accrued in 2013</u></b>	<b><u>Realized/ Collected</u></b>	<b><u>Balance Dec. 31, 2013</u></b>
Miscellaneous Revenues:					
Municipal Court Fines and Costs	A-2	\$1,730.81	\$55,417.90	\$53,484.79	\$3,663.92
Interest and Costs on Taxes	A-2		13,975.67	29,222.07	
Interest on Investments and Deposits	A-2		11,797.79	12,207.02	
Energy Receipts Tax	A-2		147,440.00	147,440.00	
Uniform Construction Code Fees	A-2		53,957.00	194,474.00	
Beach Badge Fees	A-2		60,838.25	28,441.00	
General Capital Fund Surplus	A-2		200,000.00	200,000.00	
Community Disaster Loan Proceeds	A-2		831,074.00	831,704.00	
FEMA Receivables	A-2		1,420,000.00	1,420,000.00	
		<u>\$1,730.81</u>	<u>\$2,794,500.61</u>	<u>\$2,916,972.88</u>	<u>\$3,663.92</u>
	<b><u>Ref.</u></b>	<b><u>A</u></b>			<b><u>A</u></b>
Cash Receipts			<b><u>Ref.</u></b>		
			A-4	\$1,496,972.88	
Revenue Realized			A-11	<u>1,420,000.00</u>	
				<u>\$2,916,972.88</u>	

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2013**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2012</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>After Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Municipal Clerk's Office					
Salaries and Wages	\$179.21		\$179.21		\$179.21
Other Expenses	477.14	\$4,110.58	4,587.72	\$4,103.68	484.04
Financial Administration					
Salaries and Wages	76.22		76.22		76.22
Other Expenses	4,653.43	244.67	4,898.10	402.29	4,495.81
Auditing Services					
Other Expenses	425.00		425.00		425.00
Collection of Taxes					
Salaries and Wages	96.88		96.88		96.88
Other Expenses	367.20		367.20		367.20
Assessment of Taxes					
Salaries and Wages	49.92		49.92		49.92
Other Expenses	1,075.00		1,075.00		1,075.00
Legal Services and Costs					
Other Expenses	33,485.48		33,485.48	15,733.70	17,751.78
Engineering Services and Costs					
Other Expenses	53,788.70		53,788.70	234.78	53,553.92
Planning Board					
Salaries and Wages	7,985.70		7,985.70		7,985.70
Other Expenses	12,255.03		12,255.03		12,255.03
Insurance					
General Liability	2,813.50		2,813.50		2,813.50
Workers Compensation	1,022.24		1,022.24		1,022.24
Employee Group Health	42,890.93		42,890.93		42,890.93
Health Benefits Waiver	1,634.98		1,634.98		1,634.98



**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2013**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2012</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>After Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Police Department					
Salaries and Wages	\$16,742.44		\$16,742.44	\$1,160.00	\$15,582.44
Other Expenses	13,607.94	\$178.94	13,786.88	430.93	13,355.95
Emergency Management Services					
Other Expenses	3,317.31		3,317.31		3,317.31
Uniform Fire Safety Act					
Salaries and Wages	1,085.26		1,085.26		1,085.26
Municipal Court					
Salaries and Wages	3,384.64		3,384.64		3,384.64
Other Expenses	1,251.07	156.27	1,407.34	1,150.63	256.71
Municipal Prosecutor					
Other Expenses	3,895.00		3,895.00	560.00	3,335.00
Public Defender					
Other Expenses	3,096.50		3,096.50		3,096.50
Road Repair and Maintenance					
Salaries and Wages	3,539.07		3,539.07		3,539.07
Other Expenses	5,850.84	478.89	6,329.73	478.89	5,850.84
Solid Waste Collection					
Other Expenses	41,732.88		41,732.88		41,732.88
Buildings and Grounds					
Other Expenses	11,702.15	182.24	11,884.39	5,192.22	6,692.17
Sewer System					
Other Expenses	10,419.51		10,419.51	4,637.00	5,782.51
Board of Health					
Salaries and Wages	0.08		0.08		0.08

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2013**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2012</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>After Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Animal Control Services					
Other Expenses	\$776.01	\$299.00	\$1,075.01	\$549.00	\$526.01
Municipal Alliance Program					
Other Expenses	300.00		300.00		300.00
Beach Maintenance					
Other Expenses	94,215.97		94,215.97	29,389.42	64,826.55
Construction Code Official					
Salaries and Wages	245.48		245.48		245.48
Other Expenses	2,497.58		2,497.58	41.43	2,456.15
Plumbing Official					
Salaries and Wages	224.63		224.63		224.63
Fire Protection Official					
Salaries and Wages	502.50		502.50		502.50
Electrical Inspector					
Salaries and Wages	149.15		149.15		149.15
Utility Expenses and Bulk Purchases					
Electricity	13,516.42	542.18	14,058.60	549.71	13,508.89
Telephone	3,087.38	171.69	3,259.07	477.85	2,781.22
Water	3,401.24		3,401.24		3,401.24
Water - Fire Hydrants	6,180.57		6,180.57	2,398.00	3,782.57
Natural Gas	5,502.85	292.94	5,795.79	4,101.10	1,694.69
Gasoline	9,087.65	465.90	9,553.55	9,155.42	398.13
Contingent	900.00		900.00		900.00
Public Employees' Retirement System	8.00		8.00		8.00

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2013**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2012</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>After Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Social Security System (O.A.S.I.)	\$4,263.79		\$4,263.79		\$4,263.79
Police and Firemen's Retirement System of N.J.	397.00		397.00		397.00
Sewer System -					
Ocean County Utilities Authority	4,449.00		4,449.00		4,449.00
Share of Costs	<u>\$432,606.47</u>	<u>\$7,123.30</u>	<u>\$439,429.77</u>	<u>\$80,746.05</u>	<u>\$358,983.72</u>
<b><u>Ref.</u></b>	A			A-4	A-1

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF COUNTY TAXES PAYABLE**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>		
Balance, December 31, 2012	A		\$12,768.61
Increased by:			
County Tax	A-5	\$3,500,417.44	
County Library Tax	A-5	401,716.33	
County Health Tax	A-5	145,354.62	
County Open Space Tax	A-5	129,108.37	
Due County for Added and Omitted Taxes	A-5	8,959.99	
	A-1		<u>4,185,556.75</u>
			4,198,325.36
Decreased by:			
Payments	A-4		<u>4,189,365.37</u>
Balance, December 31, 2013	A		<u><u>\$8,959.99</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE**  
**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance, December 31, 2012:			
School Tax Payable	A	\$5,362.73	
School Tax Deferred		<u>26,813.74</u>	
			\$32,176.47
Increased by:			
Levy - School Year July 1, 2013 to June 30, 2014	A-5		<u>71,501.00</u>
			103,677.47
Decreased by:			
Payments	A-4		<u>60,776.48</u>
Balance, December 31, 2013:			
School Tax Payable	A	16,087.25	
School Tax Deferred		<u>26,813.74</u>	
			<u>\$42,900.99</u>
<u>2013 Liability for Local District School Tax:</u>			
Tax Paid	A-10		\$60,776.48
Taxes Payable, December 31, 2013	A-10		<u>16,087.25</u>
			76,863.73
Less, Tax payable, December 31, 2012	A-10		<u>5,362.73</u>
Amount Charged to 2013 Operations	A-1		<u>\$71,501.00</u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**Year Ended December 31, 2013**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2012</u></b>	<b><u>Increased</u></b>	<b><u>Decreased</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2013</u></b>
Reserve for:				
Sale of Municipal Assets	\$97,198.40	\$5,792.00		\$102,990.40
Police Boat Donations	5,925.00			5,925.00
Dune Restoration	5,825.74			5,825.74
FEMA	46,390.13	3,832,896.57	\$1,521,880.74	2,357,405.96
Hurricane Sandy	721,625.58	5,100,000.00	4,449,980.84	1,371,644.74
Insurance Proceeds		325,787.92		325,787.92
Storm Damages		9,142.01		9,142.01
Due to the State of New Jersey:				
Marriage Licenses	18.00	25.00	43.00	
Uniform Construction Code Fees	465.00	15,165.00	11,222.00	4,408.00
	<u>\$877,447.85</u>	<u>\$9,288,808.50</u>	<u>\$5,983,126.58</u>	<u>\$4,183,129.77</u>

**Ref.**

A

A

**Ref.**

Cash Receipts	A-4	\$4,188,808.50
Special Emergency Authorizations	A-3	5,100,000.00
		<u>\$9,288,808.50</u>

Cash Disbursements	A-4	\$4,207,102.12
Realized as Revenue	A-7	1,420,000.00
Reserve for Encumbrances		356,006.46
Cancelled to Operations	A-1	18.00
		<u>\$5,983,126.58</u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2013**

<b>Grant</b>	<b>Balance Dec. 31, 2012</b>	<b>2013 Anticipated Revenue</b>	<b>Cash Received</b>	<b>Transferred from Grants Unappropriated</b>	<b>Cancelled</b>	<b>Balance Dec. 31, 2013</b>
Body Armor Fund		\$1,112.96		\$1,112.96		
Clean Communities Grant		4,000.00	\$4,000.00			
FEMA Beach Push		102,000.00			\$102,000.00	
	<u>\$0.00</u>	<u>107,112.96</u>	<u>4,000.00</u>	<u>\$1,112.96</u>	<u>\$102,000.00</u>	<u>\$0.00</u>
<b><u>Ref.</u></b>	A	A-2	A-4	A-14		A

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**Year Ended December 31, 2013**

<b>Grant</b>	<b>Balance Dec. 31, 2012</b>	<b>Transfer from 2013 Budget Appropriation</b>	<b>Expended</b>	<b>Cancelled</b>	<b>Balance Dec. 31, 2013</b>
Body Armor Fund	\$3,249.69	\$1,112.96	\$1,690.00		\$2,672.65
Clean Communities Grant	4,666.99	4,000.00	58.51		8,608.48
Drunk Driving Enforcement Fund	10,709.32		1,807.03		8,902.29
Alcohol Education and Rehabilitation	14,622.14		1,462.89		13,159.25
NJDEP Stormwater Regulation Grant	417.75				417.75
Recycling Tonnage Grant	6,695.50				6,695.50
State and Local All Hazards Emergency Operation Planning	871.32				871.32
FEMA Beach Push		102,000.00		\$102,000.00	
	<u>\$41,232.71</u>	<u>\$107,112.96</u>	<u>\$5,018.43</u>	<u>\$102,000.00</u>	<u>\$41,327.24</u>
<b><u>Ref.</u></b>	<b>A</b>	<b>A-3</b>	<b>A-4</b>		<b>A</b>



**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**  
**Year Ended December 31, 2013**

<b><u>Grant</u></b>	<b><u>Balance Dec. 31, 2012</u></b>	<b><u>Appropriated</u></b>	<b><u>Cash Receipts</u></b>	<b><u>Balance Dec. 31, 2013</u></b>
Body Armor Fund	\$1,112.96	\$1,112.96		
Recycling Tonnage			\$7,620.81	\$7,620.81
Alcohol Education			369.42	369.42
	<u>\$1,112.96</u>	<u>\$1,112.96</u>	<u>\$7,990.23</u>	<u>\$7,990.23</u>
<b><u>Ref.</u></b>	A	A-12	A-4	A

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	<b><u>Animal Control Fund</u></b>	<b><u>Other Trust Fund</u></b>
Balance, December 31, 2012	B	\$302.40	\$592,308.29
Increased by Receipts:			
Reserve for Animal Control			
Fund Expenditures	B-2	\$52.00	
Various Reserves	B-4		\$2,991,326.87
Due to State of New Jersey	B-3	<u>21.60</u>	
		73.60	<u>2,991,326.87</u>
		<u>376.00</u>	<u>3,583,635.16</u>
Decreased by Disbursements:			
Due to State of New Jersey	B-3	60.00	
Due to the Current Fund		116.00	1,500.00
Various Reserves	B-4	<u>          </u>	<u>2,923,530.07</u>
		<u>176.00</u>	<u>2,925,030.07</u>
Balance, December 31, 2013	B	<u><u>\$200.00</u></u>	<u><u>\$658,605.09</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ANIMAL CONTROL FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	
Balance, December 31, 2012	B	\$148.00
Increased by:		
Dog License Fees Collected	B-1	52.00
		<u>200.00</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Statutory Excess Due Current Fund		40.00
		<u>40.00</u>
Balance, December 31, 2013	B	<u><u>\$160.00</u></u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2012	\$88.00
2011	72.00
	<u><u>\$160.00</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ANIMAL CONTROL FUND**  
**SCHEDULE OF DUE TO STATE OF NEW JERSEY**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	
Balance, December 31, 2012	B	\$38.40
Increased by:		
Receipts	B-1	21.60
		<u>60.00</u>
Decreased by:		
Disbursed	B-1	60.00
		<u>60.00</u>
Balance, December 31, 2013	B	<u><u>\$0.00</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**OTHER TRUST FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**Year Ended December 31, 2013**

	<b>Balance</b> <b>Dec. 31, 2012</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance</b> <b>Dec. 31, 2013</b>
<b><u>Reserves for:</u></b>				
P.O.A.A.	\$182.54	\$68.00		\$250.54
Unemployment Compensation	29,267.09	3,500.63	\$324.82	32,442.90
Surety and Escrows	15,533.71	18,000.00	9,633.82	23,899.89
Payroll and Deductions Payable	35,053.63	2,810,640.29	2,794,284.05	51,409.87
Off-Duty Police	390.90	96,440.02	90,789.60	6,041.32
Centennial Celebration	254.72	100.00		354.72
Public Defender	510.50	2,462.50	1,600.00	1,373.00
Accumulated Absences	111,779.07			111,779.07
Historical Society	40.00			40.00
Law Enforcement Trust	2,827.32	5.43		2,832.75
Third Party Liens	483.81			483.81
Reserve for Judgments	395,985.00			395,985.00
Marine Donations		29,610.00		29,610.00
Sandy Donations		30,500.00	26,897.78	3,602.22
	<u>\$592,308.29</u>	<u>\$2,991,326.87</u>	<u>\$2,923,530.07</u>	<u>\$660,105.09</u>
<b><u>Ref.</u></b>	<b>B</b>	<b>B-1</b>	<b>B-1</b>	<b>B</b>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$1,368,612.73
Increased by Receipts:			
Budget Appropriations:			
Improvement Costs	C-7	\$200,000.00	
Capital Improvement Fund	C-6	57,000.00	
NJ D.O.T. Grants Receivable	C-4	63,365.69	
Reserve for Beach Replenishment		28,500.00	
Reserve for Municipal Parking Lot		<u>58,939.47</u>	
			<u>407,805.16</u>
			1,776,417.89
Decreased by Disbursements:			
Capital Surplus to Current Fund	C-1	200,000.00	
Improvement Authorizations	C-5	<u>138,388.82</u>	
			<u>338,388.82</u>
Balance, December 31, 2013	C		<u><u>\$1,438,029.07</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH**  
**December 31, 2013**

	<b>Balance</b>
	<b><u>Dec. 31, 2013</u></b>
Fund Balance	\$212,623.52
Capital Improvement Fund	84,871.03
Reserve for Encumbrances	34,317.96
Reserve for Beach Replenishment	1,085,352.15
Reserve for Lyman Street Dune Walkover	30,184.46
Reserve for Payment of Debt	1,888.22
Reserve for Municipal Parking Lot	58,939.47

Improvement Authorizations:

Ordinance

<b><u>Number</u></b>	<b><u>Improvement Description</u></b>	
518	Implementation of Back Bay Flap Valve Program	2,566.73
534	Construction of Borough Yard Garage	70,122.06
551	Inspection and Evaluation of Sanitary Sewerage Force Main	12,462.94
566	Installation of Solar Panels in the Municipal Building	16,883.20
569	Sanitary Sewer Repairs	3,000.00
581	Bergen and Lagoon Lane Road Improvements	(4,480.29)
582	Sanitary Force Main Investigation and Condition Evaluation	2,545.00
583	Storm Sewer Investigation	4,778.18
585	Flap Valve Program	11,000.00
586	Bergen and Channel Road Improvements	(17,446.41)
595	Old Bridge Street and Bay Avenue Road Construction	(50,301.43)
596	Purchase of Computer Equipment	(24,000.00)
597	Replacement of Firehouse Apron	664.08
598	Improvements to Sanitary Sewer System Facilities	(454.02)
599	Flap Valve Program	1,000.00
600	Construction of ADA Walkway #4	(1,486.23)
601	Purchase of Emergency Management Radios	(8,509.90)
603	Purchase of Police Radios and ATV	(28,000.00)
607	Old Bridge Street and Bay Avenue Road Construction	(23,244.61)
608	Replacement of Firehouse Doors	(4,242.00)
609	Purchase of Police Cameras	2,338.97
610	Bay Avenue Drainage Improvements	2,000.00
611	Improvement of ADA Walkway #4	3,600.00
612	Construction of Lyman Street Dune Walkover	60.47
626	Herbert Street Pump Station Reconstruction	34,733.88
627	Purchase of Emergency Services Radio System	(57,000.00)
628	Structural Repairs of the Mantoloking Firehouse and Purchase of Equipment for the Operations of the Mantoloking Firehouse, Police Department and Public Works Department	(18,738.36)
		<b><u>\$1,438,029.07</u></b>

**Ref.**

C

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**  
**Year Ended December 31, 2013**

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Decreased	Balance Dec. 31, 2013	Analysis of Balance Dec. 31, 2013	
						Expended	Unexpended Improvement Authorizations
534	Construction of Borough Yard Garage	\$28,000.00			\$28,000.00		\$28,000.00
565	Roadway Improvements (Bergen and Channel Lane)	3,000.00		\$3,000.00			
569	Sanitary Sewer Repairs	52,000.00			52,000.00		52,000.00
571	Bay Avenue Lot Remediation	23,712.00		23,712.00			
572	Purchase of Police Computers and Security Improvements	18,881.00		18,881.00			
580	Purchase of Police Vehicle (SUV)	26,310.00		26,310.00			
581	Bergen and Lagoon Lane Road Improvements	233,446.39		81,521.42	151,924.97	\$4,480.29	147,444.68
582	Sanitary Force Main Investigation and Condition Evaluation	39,000.00			39,000.00		39,000.00
583	Storm Sewer Investigation	18,000.00		18,000.00			
584	Replacement of Firehouse Apron	6,000.00		6,000.00			
585	Flap Valve Program	10,000.00		10,000.00			
586	Bergen and Channel Road Improvements	89,000.00		33,000.00	56,000.00	17,446.41	38,553.59
595	Old Bridge Street and Bay Avenue Road Construction	58,000.00			58,000.00	50,301.43	7,698.57
596	Purchase of Computer Equipment	24,000.00			24,000.00	24,000.00	
597	Replacement of Firehouse Apron	5,000.00			5,000.00		5,000.00
598	Improvements to Sanitary Sewer System Facilities	7,000.00			7,000.00	454.02	6,545.98
599	Flap Valve Program	10,000.00			10,000.00		10,000.00
600	Construction of ADA Walkway #4	24,000.00			24,000.00	1,486.23	22,513.77
601	Purchase of Emergency Management Radios	10,000.00			10,000.00	8,509.90	1,490.10
603	Purchase of Police Radios and ATV	28,000.00			28,000.00	28,000.00	
607	Old Bridge Street and Bay Avenue Road Construction	85,000.00			85,000.00	23,244.61	61,755.39
608	Replacement of Firehouse Doors	20,000.00			20,000.00	4,242.00	15,758.00
609	Purchase of Police Cameras	66,000.00			66,000.00		66,000.00
610	Bay Avenue Drainage Improvements	26,000.00			26,000.00		26,000.00
612	Construction of Lyman Street Dune Walkover	80,000.00			80,000.00		80,000.00
626	Herbert Street Pump Station Reconstruction		\$1,140,000.00		1,140,000.00		1,140,000.00
627	Purchase of Emergency Services Radio System		57,000.00		57,000.00	57,000.00	
628	Structural Repairs of the Mantoloking Firehouse and Purchase of Equipment for the Operations of the Mantoloking Firehouse, Police Department and Public Works Department						
			118,700.00	42,941.27	75,758.73	18,738.36	57,020.37
		<u>\$990,349.39</u>	<u>\$1,315,700.00</u>	<u>\$263,365.69</u>	<u>\$2,042,683.70</u>	<u>\$237,903.25</u>	<u>\$1,804,780.45</u>
	<b>Ref.</b>	<b>C</b>	<b>C-5</b>		<b>C</b>		
	Notes Paid by Budget Appropriation	C-2,C-7		\$200,000.00			
	NJ D.O.T. Grants Receivable	C-2,C-7		63,365.69			
				<u>\$263,365.69</u>			



**BOROUGH OF MANTOLOKING  
COUNTY OF OCEAN  
STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
Year Ended December 31, 2013**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2012			2013 Authorizations	Cash Disbursements	Balance December 31, 2013		
				Funded	Unfunded	Encumbrances			Encumbrances	Funded	Unfunded
General Improvements:											
518	Implementation of Back Bay Flap Valve Program	03/27/06	19,000.00	\$2,566.73						\$2,566.73	
534	Construction of Borough Yard Garage	04/23/07	120,000.00	70,122.06	\$28,000.00					70,122.06	\$28,000.00
551	Inspection and Evaluation of Sanitary Sewerage Force Main	05/19/08	19,000.00	12,462.94						12,462.94	
566	Installation of Solar Panels in the Municipal Building	05/18/09	19,000.00	16,883.20						16,883.20	
569	Sanitary Sewer Repairs	05/18/09	55,000.00	3,000.00	52,000.00					3,000.00	52,000.00
581	Bergen and Lagoon Lane Road Improvements	04/19/10	368,000.00		106,578.96	\$40,865.72					147,444.68
582	Sanitary Force Main Investigation and Condition Evaluation	04/19/10	42,000.00	2,545.00	39,000.00					2,545.00	39,000.00
583	Storm Sewer Investigation	04/19/10	20,000.00		4,778.18					4,778.18	
585	Flap Valve Program	04/19/10	11,000.00	1,000.00	10,000.00					11,000.00	
586	Bergen and Channel Road Improvements	04/19/10	94,000.00		38,553.59						38,553.59
595	Old Bridge Street and Bay Avenue Road	04/18/11	240,000.00			7,698.57					7,698.57
597	Replacement of Firehouse Apron	04/18/11	6,000.00	664.08	5,000.00					664.08	5,000.00
598	Improvements to Sanitary Sewer System Facilities	04/18/11	10,000.00		6,545.98						6,545.98
599	Flap Valve Program	04/18/11	11,000.00	1,000.00	10,000.00					1,000.00	10,000.00
600	Construction of ADA Walkway #4	04/18/11	26,000.00		23,913.77				\$1,400.00		22,513.77
601	Purchase of Emergency Management Radios	05/16/11	11,000.00		1,490.10						1,490.10
603	Purchase of Police Radios and ATV	07/18/11	30,000.00		15,000.00			\$15,000.00			
607	Old Bridge Street and Bay Avenue Road Construction	04/23/12	90,000.00		41,724.57	20,030.82					61,755.39
608	Replacement of Firehouse Doors	04/23/12	22,000.00		15,758.00						15,758.00
609	Purchase of Police Cameras	04/23/12	70,000.00	4,000.00	66,000.00			1,661.03		2,338.97	66,000.00
610	Bay Avenue Drainage Improvements	04/23/12	28,000.00	2,000.00	26,000.00					2,000.00	26,000.00
611	Improvement of ADA Walkway #4	04/23/12	5,000.00	5,000.00				1,400.00		3,600.00	
612	Construction of Lyman Street Dune Walkover	04/23/12	85,000.00	60.47	80,000.00					60.47	80,000.00
626	Herbert Street Pump Station Reconstruction	08/20/13	1,200,000.00				\$1,200,000.00	25,266.12		34,733.88	1,140,000.00
627	Purchase of Emergency Services Radio System	08/20/13	60,000.00				60,000.00	60,000.00			
628	Structural Repairs of the Mantoloking Firehouse and Purchase of Equipment for the Operations of the Mantoloking Firehouse, Police Department and Public Works Department	09/17/13	125,000.00				125,000.00	35,061.67	32,917.96		57,020.37
				<u>\$121,304.48</u>	<u>\$570,343.15</u>	<u>\$68,595.11</u>	<u>\$1,385,000.00</u>	<u>\$138,388.82</u>	<u>\$34,317.96</u>	<u>\$167,755.51</u>	<u>\$1,804,780.45</u>
	<u>Ref.</u>			C	C	C		C-2	C	C	C
	Capital Improvement Fund			<u>Ref.</u>							
	Deferred Charges to Future Taxation - Unfunded			C-6			\$69,300.00				
				C-4,C-7			<u>1,315,700.00</u>				
							<u>\$1,385,000.00</u>				

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$97,171.03
Increased by:		
Budget Appropriation	C-2	57,000.00
		<u>154,171.03</u>
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-5	69,300.00
		<u>69,300.00</u>
Balance, December 31, 2013	C	<u><u>\$84,871.03</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**Year Ended December 31, 2013**

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	Increased	Decreased		Balance Dec. 31, 2013
				Paid by Budget Appropriation	NJ D.O.T. Grants Receivable	
General Improvements:						
534	Constructions of Borough Yard Garage	\$28,000.00				\$28,000.00
565	Road Improvements (Bergen Avenue and Channel Lane)	3,000.00		\$3,000.00		
569	Sanitary Sewer Repairs	52,000.00				52,000.00
571	Bay Avenue Lot Remediation	23,712.00		23,712.00		
572	Purchase of Police Computers and Security Improvements	18,881.00		18,881.00		
580	Purchase of Police Vehicle (SUV)	26,310.00		26,310.00		
581	Bergen and Lagoon Lane Road Improvements	233,446.39		61,097.00	\$20,424.42	151,924.97
582	Sanitary Force Main Investigation and Condition Evaluation	39,000.00				39,000.00
583	Storm Sewer Investigation	18,000.00		18,000.00		
584	Replacement of Firehouse Apron	6,000.00		6,000.00		
585	Flap Valve Program	10,000.00		10,000.00		
586	Bergen and Channel Road Improvements	89,000.00		33,000.00		56,000.00
595	Old Bridge Street and Bay Avenue Road Construction	58,000.00				58,000.00
596	Purchase of Computer Equipment	24,000.00				24,000.00
597	Replacement of Firehouse Apron	5,000.00				5,000.00
598	Improvements to Sanitary Sewer System Facilities	7,000.00				7,000.00
599	Flap Valve Program	10,000.00				10,000.00
600	Construction of ADA Walkway #4	24,000.00				24,000.00
601	Purchase of Emergency Management Radios	10,000.00				10,000.00
603	Purchase of Police Radios and ATV	28,000.00				28,000.00
607	Old Bridge Street and Bay Avenue Road Construction	85,000.00				85,000.00
608	Replacement of Firehouse Doors	20,000.00				20,000.00
609	Purchase of Police Cameras	66,000.00				66,000.00
610	Bay Avenue Drainage Improvements	26,000.00				26,000.00
612	Construction of Lyman Street Dune Walkover	80,000.00				80,000.00
626	Herbert Street Pump Station Reconstruction		\$57,000.00			57,000.00
627	Purchase of Emergency Services Radio System		1,140,000.00			1,140,000.00
628	Structural Repairs of the Mantoloking Firehouse and Purchase of Equipment for the Operations of the Mantoloking Firehouse, Police Department and Public Works Department					
			118,700.00		42,941.27	75,758.73
		<u>\$990,349.39</u>	<u>\$1,315,700.00</u>	<u>\$200,000.00</u>	<u>\$63,365.69</u>	<u>\$2,042,683.70</u>
Ref.		(Footnote C)	C-5	C-4	C-4	(Footnote C)

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS**  
**Year Ended December 31, 2013**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2012</u></b>	<b><u>Additions</u></b>	<b><u>Dispositions</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2013</u></b>
General Fixed Assets:				
Land	\$1,169,100.00			\$1,169,100.00
Buildings	1,387,726.51	\$9,560.00		1,397,286.51
Machinery and Equipment	<u>2,130,222.25</u>	<u>127,399.40</u>	<u>\$71,153.00</u>	<u>2,186,468.65</u>
	<u><u>\$4,687,048.76</u></u>	<u><u>\$136,959.40</u></u>	<u><u>\$71,153.00</u></u>	<u><u>\$4,752,855.16</u></u>
<b><u>Ref.</u></b>	D			D

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART III**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2013**

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2013**

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

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following item:

Private Property Demolition and Debris Removal

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

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

**Purchases, Contracts or Agreements not Required to be Advertised by N.J.S. 40A:11-6.1**

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered."

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

N.J.S. 54:4-67 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.

On January 7, 2013 the governing body adopted the following resolution authorizing interest to be charged for nonpayment of taxes:

RESOLVED, that the Tax Collector of the Borough of Mantoloking is hereby directed to charge and collect interest at eight percent (8%) per annum on the first \$1,500 of any delinquency, and eighteen percent (18%) per annum on any amount of in excess of \$1,500 to be calculated from the date the tax was payable to the date of actual payment.

RESOLVED, that the Tax Collector of the Borough of Mantoloking is hereby directed to charge and collect an additional penalty at the rate of six percent (6%) of the amount of delinquency from each taxpayer with a delinquency in excess of \$10,000 who shall fail to pay that delinquency prior to the end of the calendar year.

FURTHER RESOLVED, that the interest on any delinquency shall be computed from the date the monies are due or become delinquent, except that no interest shall be charged on any installment payment if payment of said installment is made within ten (10) days after the date upon which same becomes payable.

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

### **Tax Title Liens**

The Borough did not have a tax sale in 2013 and had no tax title liens receivable on December 31, 2013, 2012 or 2011.

### **COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31**

<u>Year</u>	<u>Fund Balance</u>	<u>Budget of Succeeding Year</u>
2013	\$1,740,345.90	\$820,000.00
2012	1,241,719.71	528,000.00
2011	1,346,786.49	531,500.19

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Municipal	0.208	0.181	0.181
Local School	0.006	0.003	0.004
County	0.387	0.363	0.354
Total tax rate	<u>\$0.601</u>	<u>\$0.547</u>	<u>\$0.539</u>

**ASSESSED VALUATIONS**

2013	\$1,084,548,918.00
2012	1,612,822,189.00
2011	1,617,368,897.00

**COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2013	\$6,532,053.98	\$6,496,618.46	99.46%
2012	8,841,378.57	8,598,695.46	97.26%
2011	8,736,710.41	8,672,369.50	99.26%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Delinquent taxes	<u>\$35,385.87</u>	<u>\$225,104.10</u>	<u>\$55,089.36</u>
% of tax levy	0.54%	2.55%	0.63%



**SUMMARY OF MUNICIPAL DEBT**

<u>Issued</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Bond anticipation notes	\$0.00	\$0.00	\$455,000.00
Less:			
Funds on hand to pay bonds and notes	<u>1,888.22</u>	<u>1,888.22</u>	<u>1,888.23</u>
Net Debt Issued	(1,888.22)	(1,888.22)	453,111.78
Authorized but not issued			
General bonds and notes	<u>2,042,683.70</u>	<u>990,349.39</u>	<u>897,000.00</u>
Net bonds and notes issued and and authorized but not issued	<u>\$2,040,795.48</u>	<u>\$988,461.17</u>	<u>\$1,350,111.78</u>

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.061%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	<u>\$2,042,683.70</u>	<u>\$1,888.22</u>	<u>\$2,040,795.48</u>

Net Debt \$2,040,795.48 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$1,503,391,347.33 equals 0.136%.

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

3 1/2% of Equalized Valuation Basis	\$52,618,697.16
Net Debt	<u>2,040,795.48</u>
Remaining Borrowing Power	<u>\$50,577,901.68</u>

## **OFFICIALS IN OFFICE AND SURETY BONDS**

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

<b><u>Name</u></b>	<b><u>Position</u></b>
George C. Nebel	Mayor
Evan S. Gillingham	President
James J. Brown	Councilman
Donald S. Ness	Councilman
Ann Elizabeth Nelson	Councilwoman
Peter R. Strohm	Councilman
Robert S. McIntyre, Jr.	Councilman
Irene H. Ryan	Borough Clerk, Registrar, Assessment Search Officer, Qualified Purchasing Agent
Michelle Swisher	Chief Financial Officer, Tax Collector, Tax Search Officer
Jennifer B. Eaton	Court Administrator (from 1/1/13 to 1/25/13)
Elizabeth L. Boettger	Court Administrator (from 1/22/13 to 12/31/13)
Samuel M. Morris	Magistrate

A Government Crime Policy in the amount of \$1,000,000.00 was in effect during 2013. This insurance coverage was provided to the Borough through its participation in the New Jersey Intergovernmental Insurance Fund.

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART IV**

**SINGLE AUDIT SECTION**

**YEAR ENDED DECEMBER 31, 2013**

# *Oliwa & Company*

Certified Public Accountants

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

To the Honorable Mayor and  
Members of the Borough Council  
Borough of Mantoloking  
County of Ocean  
Mantoloking, New Jersey

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

We have audited the Borough of Mantoloking, County of Ocean, State of New Jersey (the "Borough") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on the Borough's major federal programs for the year ended December 31, 2013. The Borough'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's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough'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's compliance.

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

In our opinion, the Borough, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2013.


## Report on Internal Control over Compliance

Management of the Borough 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's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

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

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

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



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
September 15, 2014

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Entity Identifying Number</u>	<u>Grant Period</u>	<u>Grant Award Amount</u>	<u>Cash Received</u>	<u>Federal Expenditures</u>	<u>Cumulative Expenditures</u>
United States Department of Homeland Security/ Passed-Through State of New Jersey Department of Law and Public Safety/ Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	2012 to completion	\$5,853,967.41	\$3,879,286.70 *	\$5,853,967.41 **	\$5,853,967.41
Direct Program Community Disaster Loan	97.030	-	2013	831,074.00	831,074.00	831,074.00	831,074.00
Total United States Department of Homeland Security					<u>4,710,360.70</u>	<u>6,685,041.41</u>	<u>6,685,041.41</u>
Total Expenditures of Federal Awards					<u>\$4,710,360.70</u>	<u>\$6,685,041.41</u>	<u>\$6,685,041.41</u>

N/A - not available

**Additional Information:**

<u>Program Title</u>	<u>Year ended December 31,</u>	<u>Cash Received</u>	<u>Federal Expenditures</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	2013	\$3,832,896.57	\$5,705,511.92
	2012	46,390.13	148,455.49
		<u>\$3,879,286.70 *</u>	<u>\$5,853,967.41 **</u>

The accompanying notes to schedule of expenditures of federal awards are an integral part of this schedule.

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED DECEMBER 31, 2013**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the federal grant activity of the Borough of Mantoloking (the "Borough"). The Borough is defined in Note 1(A) to the Borough's financial statements. The information in the Schedule is presented in accordance with the requirements of Federal OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and other information requested by the State of New Jersey, as a pass-through grantor. Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in financial position or cash flows of the Borough.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Except for expenditures for Disaster Grants – Public Assistance (Presidentially Declared Disasters), expenditures on the Schedule are recorded on the basis of accounting as described in Note 1 to the Borough's regulatory basis financial statements. Expenditures for Disaster Grants – Public Assistance (Presidentially Declared Disasters) are recorded on the Schedule based upon Project Worksheets approved by the United States Department of Homeland Security, Federal Emergency Management Agency in 2013 and 2012.

**NOTE 3: CONTINGENCY**

Grants received by the Borough are subject to audit and adjustment by the grantor agency. As a result, costs previously reimbursed could be disallowed and require repayment to the grantor agency.

**NOTE 4: OUTSTANDING LOAN**

In 2013 the Borough executed a promissory note for a Community Disaster Loan (the "Loan") in the amount of \$831,074.00 with the United States Department of Homeland Security, Federal Emergency Management Agency. Loan proceeds of \$831,074.00 were utilized as an item of revenue in the Borough's 2013 current fund budget. As of December 31, 2013, the Loan principal balance and related accrued interest were \$831,074.00 and \$3,586.14, respectively. The full principal amount of the Loan and all accumulated accrued interest is due on April 16, 2018, and the interest rate on the loan is 0.75% per annum. The term of the loan is five years, but may be extended. 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 Borough 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.

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statement Section**

- A) Type of auditor's report issued:  
Generally Accepted Accounting Principles  
Regulatory Basis

		<u>Adverse</u>	
		<u>Unmodified</u>	

- B) Internal control over financial reporting :  
1. Material weakness(es) identified?  
2. Were significant deficiencies identified that were  
not considered to be material weaknesses?

_____	Yes	<u>X</u>	No
_____	Yes	<u>None Reported</u>	

- C) Noncompliance material to the financial statements noted?

_____	Yes	<u>X</u>	No
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**Federal Awards Section**

- D) Dollar threshold used to determine Type A and B programs:

	<u>\$300,000.00</u>
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- E) Auditee qualified as low-risk auditee?

_____	Yes	<u>X</u>	No
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- F) Type of auditor's report on compliance for major programs

	<u>Unmodified</u>
--	-------------------

- G) Internal control over compliance:  
1. Material weakness(es) identified?  
2. Were significant deficiencies identified that were  
not considered to be material weaknesses?

_____	Yes	<u>X</u>	No
_____	Yes	<u>None Reported</u>	

- H) Any audit findings disclosed that are required to be  
reported in accordance with OMB Circular  
A-133 Section 510(a)?

_____	Yes	<u>X</u>	No
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- I) Identification of major programs:

<u>CFDA Number(s)</u>
97.036

<u>Name of Federal Program</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters)

97.030

Community Disaster Loan



**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No financial statement findings were identified.

**SECTION III - FINDINGS AND QUESTIONED COSTS**

No findings or questioned costs were identified.

**SECTION IV - STATUS OF PRIOR YEAR FINDINGS**

Not Applicable

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART V**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2013**

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2013**

None Noted