

**BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY**

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

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2013

	<u>Exhibit</u>	<u>Page</u>
<u>Independent Auditor's Report</u>		1
<u>Independent Auditors Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Statements Performed in Accordance with Government Auditing Standards</u>		5
<u>Financial Statements</u>		
<u>Current Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	A	11
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	A-1	12
Statement of Revenues - Regulatory Basis	A-2	13
Statement of Expenditures - Regulatory Basis	A-3	15
<u>Trust Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	B	23
<u>General Capital Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	C	27
Statement of Fund Balance - Regulatory Basis	C-1	28
<u>Water/Sewer Utility Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	D	31
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1	32
Statement of Fund Balance - Regulatory Basis	D-2	33
Statement of Revenues - Regulatory Basis	D-3	34
Statement of Expenditures - Regulatory Basis	D-4	35
<u>Public Assistance Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	E	39
Statement of Revenues - Regulatory Basis	E-1	40
Statement of Expenditures - Regulatory Basis	E-2	41
<u>General Fixed Assets Account Group</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	F	45
<u>Notes to Financial Statements</u>		49

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2013

<u>Additional Information</u>	<u>Statement</u>	<u>Page</u>
<u>Current Fund</u>		
Statement of Cash - Treasurer	1-A	75
Statement of Change Fund	2-A	76
Statement of Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	77
Statement of Taxes Receivable and Analysis of Property Tax Levy	4-A	78
Statement of Tax Title Liens Receivable	5-A	79
Statement of Revenue Accounts Receivable	6-A	80
Statement of Deferred Charges - N.J.S.A. 40A:4-53 - Special Emergency Authorizations	7-A	81
Statement of 2012 Appropriation Reserves	8-A	82
Statement of Encumbrances Payable	9-A	85
Statement of Propaid Taxes	10-A	86
Statement of County Taxes Payable	11-A	87
Statement of Local District School Taxes Payable	12-A	88
Statement of Interfunds Receivable/(Payable)	13-A	89
Statement of Accounts Payable	14-A	90
Statement of Tax Overpayments Payable	15-A	91
Statement of Municipal Open Space Tax-Due to Open Space Trust	16-A	92
Statement of Due to State of New Jersey	17-A	93
Statement of Various Reserves	18-A	94
Statement of State Grants Receivable	19-A	95
Statement of Reserve for State Grants - Appropriated	20-A	96
<u>Trust Fund</u>		
Statement of Cash - Treasurer	1-B	99
Statement of Due (From) State of New Jersey - Animal Control Trust Fund	2-B	100
Statement of Reserve for Animal Control Expenditures	3-B	101
Statement of Various Trust Fund Reserves	4-B	102
Statement of Reserve for Unemployment Compensation	5-B	103
Statement of Investments - LOSAP	6-B	104
Statement of Miscellaneous Reservers - LOSAP	7-B	105
<u>General Capital Fund</u>		
Statement of Cash - Treasurer	1-C	109
Statement of Analysis of General Capital Cash and Investments	2-C	110
Statement of Deferred Charges to Future Taxation - Funded	3-C	111
Statement of Deferred Charges To Future Taxation - Unfunded	4-C	112
Statement of General Serial Bonds	5-C	113
Statement of Grants Receivable	6-C	114
Statement of Improvement Authorizations	7-C	115
Statement of Capital Improvement Fund	8-C	116
Statement of Bonds and Notes Authorized but Not Issued	9-C	117
<u>Water/Sewer Utility Fund</u>		
Statement of Cash - Treasurer Fund	1-D	121
Statement of Water/Sewer Utility Capital Cash	2-D	122
Statement of Consumer Accounts Receivable	3-D	123
Statement of Fixed Capital	4-D	124
Statement of Fixed Capital Authorized and Uncompleted	5-D	125
Statement of Appropriation Reserves	6-D	126
Statement of Encumbrances Payable	7-D	127
Statement of Accrued Interest on Bonds and Notes	8-D	128
Statement of Improvement Authorizations	9-D	129
Statement of Capital Improvement Fund	10-D	130
Statement of Reserve for Amortization	11-D	131
Statement of Deferred Reserve for Amortization	12-D	132
Statement of Serial Bonds	13-D	133
Statement of Bonds and Notes Authorized But Not Issued	14-D	134

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2013

		<u>Page</u>
<u>Public Assistance Fund</u>		
Statement of Cash - Treasurer	1-E	137
Statement of Cash and Reconciliation PER N.J.S.A. 40A:5-5	2-E	138
Statement of Reserve for Expenditures	3-E	139
Statement of Due to Current Fund	4-E	140
<u>General Fixed Assets Account Group</u>		
Statement of Land	1-F	143
Statement of Buildings and Improvements	2-F	144
Statement of Machinery, Equipment, and Vehicles	3-F	145
<u>Comments</u>		
Scope of Audit		149
Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4		149
Collection of Interest on Delinquent Taxes and Assessments		150
Tax Sale		151
Officials in Office and Surety Bonds		152
<u>Comments and Recommendations</u>		155

(THIS PAGE INTENTIONALLY LEFT BLANK)



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

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

INDEPENDENT AUDITOR’S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Spring Lake Heights, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Spring Lake Heights, County of Monmouth, State of New Jersey as of December 31, 2013 and 2012, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2013.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Spring Lake Heights, County of Monmouth, State of New Jersey, as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2013 and 2012. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 35.30% and 27.72% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2013 and 2012.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Spring Lake Heights, County of Monmouth, State of New Jersey, as of December 31, 2013 and 2012, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic 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 July 19, 2014, on our consideration of the Borough of Spring Lake Heights'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 of Spring Lake Heights's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.



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

July 19, 2014
Freehold, New Jersey

(THIS PAGE INTENTIONALLY LEFT BLANK)



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

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

Honorable Mayor and Members
of the Borough Council
Borough of Spring Lake Heights, 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Borough of Spring Lake Heights (herein referred to as “the Borough”), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated July 19, 2014 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding No's. 2013-01, 2013-02, 2013-03 & 2013-04.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



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

July 19, 2014
Freehold, New Jersey

BASIC FINANCIAL STATEMENTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

CURRENT FUND

EXHIBITS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS

Years ended December 31, 2013 and 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 290,000.00	\$ 445,150.00
Miscellaneous Revenue Anticipated	A-2	1,291,370.22	1,298,914.16
Receipts From Delinquent Taxes	A-2	303,121.90	193,206.91
Non-Budget Revenue	A-2	24,443.25	49,585.07
Receipt From Current Taxes	A-2,4-A	14,447,213.91	14,264,802.37
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	8-A	249,875.71	171,542.72
Cancelled:			
Interfunds Returned	13-A	<u>12,813.17</u>	<u>18,328.70</u>
Total Revenue		<u>16,618,838.16</u>	<u>16,441,529.93</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	2,283,080.00	2,169,481.00
Other Expenses	A-3	1,547,667.99	1,825,630.00
Deferred Charges and Statutory Expenditures	A-3	587,159.69	544,975.00
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	111,764.15	216,019.89
Other Expenses	A-3	578,302.31	448,505.85
Capital Improvements	A-3	10,000.00	10,000.00
Municipal Debt Service	A-3	218,419.40	304,215.35
Deferred Charges	A-3	28,000.00	37,560.00
County Taxes	11-A	3,234,220.08	3,220,814.22
County Share of Added Taxes	11-A	4,081.46	5,925.03
Local District School Taxes	12-A	7,549,425.00	7,361,774.00
Senior Citizens' Disallowed	3-A	-	500.00
Municipal Open Space Tax	16-A	115,584.00	115,945.49
Judgments	A-1	30,000.00	96,052.00
Refund of Prior Year Revenue	1-A	1,205.22	410.50
Interfunds Advanced	13-A	<u>13,819.39</u>	<u>12,813.17</u>
Total Expenditures		<u>16,312,728.69</u>	<u>16,370,621.50</u>
Excess in Revenue		306,109.47	70,908.43
Add: Expenditures Included			
Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years	A-3	<u>-</u>	<u>140,000.00</u>
Statutory Excess To Fund Balance		306,109.47	210,908.43
Fund Balance, January 1	A	<u>412,712.49</u>	<u>646,954.06</u>
		718,821.96	857,862.49
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>290,000.00</u>	<u>445,150.00</u>
Fund Balance, December 31	A	<u>\$ 428,821.96</u>	<u>\$ 412,712.49</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2013

	<u>Reference</u>	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 290,000.00	\$ -	\$ 290,000.00	\$ -
Miscellaneous Revenues:					
Alcoholic Beverages	6-A	20,000.00	-	20,250.00	250.00
Fees and Permits	6-A	68,000.00	-	64,063.00	(3,937.00)
Municipal Court	6-A	105,000.00	-	122,008.26	17,008.26
Interest and Costs on Taxes	6-A	48,000.00	-	47,417.68	(582.32)
Interest on Investments and Deposits	6-A	7,700.00	-	6,722.30	(977.70)
Energy Receipts Tax	6-A	399,325.00	-	399,325.00	-
Uniform Construction Code Fees	6-A	60,000.00	-	65,126.00	5,126.00
Spring Lake Heights School -					
Ground Maintenance	6-A	10,000.00	-	10,000.00	-
Uniform Fire Safety Act	6-A	3,200.00	-	7,963.15	4,763.15
Cable TV Franchise Fees	6-A	66,832.00	-	66,832.00	-
Cell Tower Fees	6-A	110,000.00	-	135,170.71	25,170.71
Fiber Optic Franchise Fees	6-A	19,000.00	-	21,725.66	2,725.66
FEMA Reimbursement (Sandy)	6-A	28,000.00	-	28,000.00	-
Open Space Debt Contribution	6-A	50,000.00	-	50,000.00	-
Clean Communities Program	19-A	11,764.15	-	11,764.15	-
Body Armor Fund	19-A	-	1,869.98	1,869.98	-
NCRS Grant	19-A	-	214,500.00	214,500.00	-
Recycling Tonnage Grant	19-A	-	6,790.25	6,790.25	-
Drunk Driving Enforcement	19-A	-	2,242.08	2,242.08	-
Cops in Shops	19-A	-	1,200.00	1,200.00	-
Drive Sober Get Pulled Over	19-A	-	4,400.00	4,400.00	-
Click It or Ticket	19-A	4,000.00	-	4,000.00	-
Total Miscellaneous Revenues	A-1	1,010,821.15	231,002.31	1,291,370.22	49,546.76
Receipts From Delinquent Taxes	A-1	308,128.00	-	303,121.90	(5,006.10)
Property Taxes for Support of Municipal Budget Appropriations:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	3,887,260.34	-	3,905,841.03	18,580.69
Budget Totals	A-3	5,496,209.49	231,002.31	5,790,333.15	63,121.35
Non-Budget Revenue	A-1,A-2	-	-	24,443.25	24,443.25
Total General Revenues	A-3	\$ 5,496,209.49	\$ 231,002.31	\$ 5,814,776.40	\$ 87,564.60

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2013

Reference

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue From Collections	A-1,4-A	\$ 14,447,213.91
School, County and Special District Taxes	11-A,12-A,13-A,16-A	<u>10,903,310.54</u>
Balance for Support of Municipal Budget		
Appropriations		3,543,903.37
Add: "Appropriation Reserve for Uncollected Taxes"	A-3	<u>361,937.66</u>
Amount for Support of Municipal Budget		
Appropriations	A-2	<u>\$ 3,905,841.03</u>
Fees and Permits - Other:		
Housing Certificate of Occupancy		\$ 41,330.00
Zoning Fees		1,260.00
Registrar Fees		2,718.00
Planning Board Fees		5,100.00
Board of Adjustment Fees		1,250.00
Board of Health Fees		5,995.00
Raffle License		2,240.00
Community Center Rental		4,000.00
Property Lists		<u>170.00</u>
	A-2	<u>\$ 64,063.00</u>
Miscellaneous Revenue Not Anticipated:		
Tax Search		\$ 10.00
Police Fees		962.25
Tennis Permits		65.00
Garage Sale		500.00
Local Fire Safety		8,686.80
Copier Fees		55.68
Street Openings		11,700.00
Taxi License		800.00
Tax Miscellaneous		0.26
RR Rental		1.00
NSF Charge		40.00
EDRS Payments		45.00
Miscellaneous		<u>1,577.26</u>
	A-1,1-A	<u>\$ 24,443.25</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriations		Budget After Modifications	Expended		Unexpended Balance Cancelled
	Original Budget			Paid or Charged	Reserved	
GENERAL APPROPRIATIONS						
Operations - Within "CAPS"	\$ 113,500.00	\$	119,250.00	\$ 113,500.00	\$ 5,750.00	\$ -
General Administration:	36,000.00		36,000.00	35,975.89	24.11	-
Salaries and Wages						
Other Expenses	15,250.00		16,350.00	15,891.95	458.05	-
Mayor and Council:	1,000.00		600.00	490.59	109.41	-
Salaries and Wages						
Other Expenses	79,000.00		79,000.00	79,000.00	-	-
Municipal Clerk:	6,600.00		4,600.00	3,707.29	892.71	-
Salaries and Wages						
Other Expenses	15,500.00		15,500.00	15,153.16	346.84	-
Financial Administration (Treasury):	37,647.99		40,397.99	40,391.54	6.45	-
Salaries and Wages						
Other Expenses	22,500.00		22,500.00	22,500.00	-	-
Audit Services:						
Other Expenses	45,000.00		45,000.00	36,667.21	8,332.79	-
Revenue Administration (Tax Collection):	19,000.00		19,000.00	18,974.35	25.65	-
Salaries and Wages						
Other Expenses	27,000.00		26,200.00	25,174.30	1,025.70	-
Tax Assessment Administration:	5,000.00		2,200.00	1,860.90	339.10	-
Salaries and Wages						
Other Expenses	66,000.00		49,500.00	40,673.22	8,826.78	-
Department of Law:						
Other Expenses	15,000.00		7,750.00	3,246.60	4,503.40	-
Division of Engineering:						
Other Expenses						
LAND USE ADMINISTRATION						
Planning Board:						
Salaries and Wages	2,600.00		2,600.00	2,466.88	133.12	-
Other Expenses	2,000.00		1,400.00	1,016.68	383.32	-
Zoning Board of Adjustment:						
Salaries and Wages	2,600.00		2,600.00	2,467.28	132.72	-
Other Expenses	2,000.00		2,250.00	2,033.50	196.50	-
Beautification Committee:						
Other Expenses	1,000.00		400.00	285.87	114.13	-
Zoning /Code Enforcement:						
Salaries and Wages	26,000.00		33,250.00	31,551.74	1,698.26	-
Other Expenses	1,000.00		750.00	542.50	207.50	-

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriations		Budget After Modifications	Expended		Unexpended Balance Cancelled
	Original Budget			Paid or Charged	Reserved	
GENERAL APPROPRIATIONS						
Operations - Within "CAPS"						
INSURANCE						
Group Insurance	475,000.00		506,000.00	465,968.69	40,031.31	-
Workmen's Compensation	140,000.00		140,000.00	140,000.00	-	-
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	1,351,000.00		1,329,430.00	1,269,232.72	60,197.28	-
Other Expenses	32,000.00		32,750.00	30,074.91	2,675.09	-
Emergency Management Services:						
Salaries and Wages	2,500.00		2,500.00	-	2,500.00	-
Other Expenses	5,000.00		5,000.00	4,933.73	66.27	-
Supplemental Fire Services	500.00		500.00	-	500.00	-
First Aid Contributions	25,000.00		25,000.00	25,000.00	-	-
Fire Safety Act:						
Salaries and Wages	13,500.00		13,500.00	12,883.81	616.19	-
Other Expenses	1,400.00		1,400.00	1,129.15	270.85	-
Prosecutor's Office:						
Salaries and Wages	13,000.00		13,000.00	12,545.58	454.42	-
Other Expenses	500.00		500.00	400.00	100.00	-
Municipal Court:						
Salaries and Wages	15,000.00		15,000.00	14,172.29	827.71	-
Other Expenses	500.00		620.00	500.00	120.00	-
Fire Department						
Salaries and Wages	2,500.00		2,500.00	-	2,500.00	-
Other Expenses	160,000.00		160,000.00	159,248.29	751.71	-
PUBLIC WORKS						
Streets and Road Maintenance:						
Salaries and Wages	537,500.00		537,500.00	528,180.70	9,319.30	-
Other Expenses	18,000.00		18,000.00	15,109.32	2,890.68	-
Solid Waste Collection:						
Salaries and Wages	2,000.00		1,650.00	1,455.35	194.65	-
Other Expenses						
Buildings and Grounds:						
Other Expenses	46,000.00		46,000.00	44,069.68	1,930.32	-
Vehicle Maintenance:						
Other Expenses	52,000.00		52,000.00	43,780.10	8,219.90	-
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Salaries and Wages	1,300.00		1,400.00	1,344.91	55.09	-
Other Expenses	100.00		100.00	-	100.00	-
Environmental Health Services:						
Other Expenses	1,000.00		400.00	-	400.00	-
Welfare/Administration of Public Assistance:						
Salaries and Wages	6,650.00		6,550.00	6,286.47	263.53	-
Animal Control Services:						
Other Expenses	4,000.00		4,650.00	3,750.00	900.00	-

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriations		Budget After Modifications	Expended		Unexpended Balance Cancelled
	Original Budget			Paid or Charged	Reserved	
GENERAL APPROPRIATIONS						
Operations - Within "CAPS"						
PARK AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	5,500.00		5,500.00	5,485.64	64.56	-
Other Expenses	100.00		100.00	-	100.00	-
Seniors/Special Events	1,000.00		1,500.00	-	1,500.00	-
Accumulated Leave Compensation	1,000.00		1,000.00	-	1,000.00	-
UTILITY EXPENSE AND BULK PURCHASES						
Utilities	227,000.00		227,000.00	225,566.99	1,433.01	-
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Sanitary Landfill:						
Other Expenses	126,000.00		136,500.00	123,270.82	13,229.18	-
Salary and Wage Adjustment	22,000.00		16,400.00	16,400.00	-	-
Total Operations Within "CAPS"	3,829,747.99		3,829,747.99	3,644,380.60	185,367.39	-
Contingent	1,000.00		1,000.00	-	1,000.00	-
Total Operations Including Contingent Within "CAPS"	3,830,747.99		3,830,747.99	3,644,380.60	186,367.39	-
Detail:						
Salaries and Wages	2,296,900.00		2,283,080.00	2,188,404.64	94,675.36	-
Other Expenses	1,533,847.99		1,547,667.99	1,455,975.96	91,692.03	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Statutory Expenditures: Contribution To:						
Public Employees Retirement System	139,435.00		139,435.00	139,435.00	-	-
Social Security System (O.A.S.I.)	185,924.69		185,924.69	185,906.87	17.82	-
Police and Firemen's Retirement System of NJ	261,000.00		261,000.00	260,998.00	2.00	-
DCRP - Employer Contribution	800.00		800.00	454.07	345.93	-
Total Deferred and Statutory Expenditures - Municipal - Within "CAPS"	587,159.69		587,159.69	586,793.94	365.75	-
Total General Appropriations for Municipal Purposes Within "CAPS"	4,417,907.68		4,417,907.68	4,231,174.54	186,733.14	-
Stormwater Management:						
Salaries and Wages	90,000.00		90,000.00	68,873.14	21,126.86	-
Other Expenses	2,400.00		2,400.00	2,229.74	1,70.26	-

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriations		Expended	Unexpended Balance Cancelled
	Original Budget	Budget After Modifications		
GENERAL APPROPRIATIONS				
Operations - Excluded From "CAPS"				
Recycling Tax	5,500.00	5,500.00	-	5,500.00
Reserve for Tax Appeals	4,000.00	4,000.00	2,944.84	1,055.16
LOSAP First Aid	11,000.00	11,000.00	11,000.00	-
LOSAP Fire Company	41,000.00	41,000.00	40,115.00	885.00
Total Other Operations Excluded From "CAPS"	155,900.00	155,900.00	125,162.72	28,737.28
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
Southern Monmouth Community Alliance To Prevent Alcoholism and Drug Abuse:				
Other Expenses	4,400.00	4,400.00	4,089.34	310.66
County of Monmouth - Police Computer:				
Other Expenses	5,000.00	5,000.00	1,952.00	3,048.00
Spring Lake Heights - BOE - Grounds Maintenance: Salaries and Wages	10,000.00	10,000.00	-	10,000.00
Monmouth County Regional Health Commission	45,000.00	45,000.00	45,000.00	-
Belmar - Dispatch Services	102,000.00	102,000.00	100,918.80	1,081.20
Spring Lake - Construction	56,000.00	56,000.00	55,532.47	467.53
Shared Services - Municipal Court				
Other Expenses	58,000.00	58,000.00	39,556.58	18,443.42
Sea Gate-Roll Off Truck	9,000.00	9,000.00	-	9,000.00
Total Interlocal Municipal Service Agreements	289,400.00	289,400.00	247,049.19	42,350.81
PUBLIC AND PRIVATE PROGRAMS OFFSET				
BY REVENUES				
Clean Communities Program	11,764.15	11,764.15	11,764.15	-
Body Armor Grant	-	1,869.98	1,869.98	-
NCRS Grant	-	214,500.00	214,500.00	-
Click It or Ticker	4,000.00	4,000.00	4,000.00	-
Recycling Tonnage Grant	-	6,790.25	6,790.25	-
Drunk Driving Enforcement	-	2,242.08	2,242.08	-
Cops in Shops	-	1,200.00	1,200.00	-
Drive Sober Get Pulled Over	-	4,400.00	4,400.00	-
Total Public and Private Programs Offset	15,764.15	246,766.46	246,766.46	-
By Revenues	459,064.15	690,066.46	618,978.37	71,088.09
Total Operations - Excluded From "CAPS"	111,764.15	111,764.15	80,637.29	31,126.86
Detail:				
Salaries and Wages	347,500.00	578,502.31	538,541.08	39,961.25
Other Expenses				

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriations		Budget After Modifications	Expended		Unexpended Balance Cancelled
	Original Budget			Paid or Charged	Reserved	
GENERAL APPROPRIATIONS						
Operations - Excluded From "CAPS"						
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	1,000.00		1,000.00	1,000.00	-	-
Building Improvements	9,000.00		9,000.00	-	9,000.00	-
Total Capital Improvements - Excluded From "CAPS"	10,000.00		10,000.00	1,000.00	9,000.00	-
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	85,000.00		85,000.00	85,000.00	-	-
Interest on Bonds	69,300.00		69,300.00	69,297.65	-	2.35
Capital Lease Obligations Approved Prior to 7/1/2007	65,000.00		65,000.00	64,121.75	-	878.25
Total Municipal Debt Service - Excluded From "CAPS"	219,300.00		219,300.00	218,419.40	-	880.60
Deferred Charges - Municipal - Excluded From "CAPS"						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	28,000.00		28,000.00	28,000.00	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	28,000.00		28,000.00	28,000.00	-	-
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	716,364.15		947,366.46	866,397.77	80,088.09	880.60
Subtotal General Appropriations	5,134,271.83		5,365,274.14	5,097,572.31	266,821.23	880.60
Reserve for Uncollected Taxes	361,937.66		361,937.66	361,937.66	-	-
Total General Appropriations	\$ 5,496,209.49		\$ 5,727,211.80	\$ 5,459,509.97	\$ 266,821.23	\$ 880.60
		Reference			A	A-3
Budget as Adopted		A-3				
Special Item of Revenue		A-2	\$ 5,496,209.49			
		A-2	231,002.31			
			\$ 5,727,211.80			
Analysis of Paid or Charged:						
Cash Disbursements		1-A	\$ 4,736,878.15			
Special Emergency Authorization		7-A	28,000.00			
Encumbrances Payable		9-A	85,927.70			
Reserve for:						
Uncollected Taxes		A-2	361,937.66			
Federal and State Grants - Appropriated		20-A	246,766.46			
			\$ 5,459,509.97			

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

(THIS PAGE INTENTIONALLY LEFT BLANK)

TRUST FUND

EXHIBIT

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2013 and 2012

Assets	Reference	2013	2012	Liabilities and Reserves	Reference	2013	2012
Animal Control Fund:				Animal Control Fund:			
Cash	1-B	\$ 1,474.53	\$ 993.97	Reserve For Animal Control Fund	3-B	\$ 1,474.33	\$ 993.97
Due From State of New Jersey	2-B	-	1.00	Expenditures	2-B	0.20	-
		<u>1,474.53</u>	<u>993.97</u>	Due to State of NJ			
Other Trust Funds:						<u>1,474.53</u>	<u>993.97</u>
Cash	1-B	535,814.72	399,388.86	Other Trust Funds:			
Due from Current Fund	6-B	-	115,945.49	Due To Current Fund	B	13,710.11	12,518.94
		<u>535,814.72</u>	<u>515,334.35</u>	Various Trust Fund Reserves	4-B	522,104.61	502,815.41
Unemployment Compensation Trust Fund:						<u>535,814.72</u>	<u>515,334.35</u>
Cash	1-B	12,297.48	13,166.11	Unemployment Compensation Trust Fund:			
		<u>12,297.48</u>	<u>13,166.11</u>	Due To Current Fund	B	51.71	180.77
Reserve for Unemployment Compensation	5-B	12,245.77		Reserve for Unemployment Compensation		<u>12,245.77</u>	<u>12,985.34</u>
		<u>12,297.48</u>	<u>13,166.11</u>				
Payroll Fund:				Payroll Fund:			
Due To Various Agencies	B	51,335.71	86,755.13	Due To Various Agencies	B	51,335.71	86,755.13
		<u>51,335.71</u>	<u>86,755.13</u>			<u>51,335.71</u>	<u>86,755.13</u>
Length of Service Award Program "LOSAP" Reviewed:				Length of Service Award Program "LOSAP" Reviewed:			
Investment in LOSAP	6-B	327,813.74	236,365.34	Reserve for LOSAP Funds	7-B	327,813.74	236,365.34
		<u>327,813.74</u>	<u>236,365.34</u>			<u>327,813.74</u>	<u>236,365.34</u>
Total Assets		\$ 928,736.18	\$ 852,614.90	Total Liabilities and Reserves		\$ 928,736.18	\$ 852,614.90

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

(THIS PAGE INTENTIONALLY LEFT BLANK)

GENERAL CAPITAL FUND

EXHIBITS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2013 and 2012

Assets	Reference	2013	2012	Liabilities, Reserves and Fund Balance	Reference	2013	2012
Cash and Cash Equivalents				Serial Bonds Payable	5-C	\$ 1,565,000.00	\$ 1,650,000.00
Due from Current Fund	1-C,2-C	\$ 706,274.84	\$ 741,493.14	Reserve for Encumbrances	7-C,8-C	23,935.00	13,100.00
Grant Receivable	8-C	-	5,000.00	Reserve for Debt Service	2-C	8,089.48	8,089.48
Deferred Charges To Future Taxation:	6-C	348,774.75	348,774.75	Improvement Authorizations:			
Funded	3-C	1,565,000.00	1,650,000.00	Funded	7-C	1,090,523.92	1,132,077.22
Unfunded	4-C	417,626.94	417,626.94	Unfunded	7-C	200,902.20	200,902.20
Total Assets		\$ 3,037,676.53	\$ 3,162,894.83	Capital Improvement Fund	8-C	46,867.76	56,367.76
				Reserve for Grant Receivable	C	84,438.92	84,438.92
				Fund Balance	C-1	17,919.25	17,919.25
				Total Liabilities, Reserves and Fund Balance		\$ 3,037,676.53	\$ 3,162,894.83

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS

Years ended December 31, 2013 and 2012

	<u>Reference</u>	
Balance, December 31, 2013 and 2012	C	<u>\$ 17,919.25</u>

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

WATER/SEWER UTILITY FUND

EXHIBITS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2013 and 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Operating Fund:							
Cash and Cash Equivalents	1-D	\$ 533,819.59	\$ 404,932.66	Appropriation Reserves	D-4,6-D	\$ 218,885.15	\$ 330,585.62
Receivables With Full Reserves:				Encumbrances Payable	7-D	52,369.03	7,965.45
Consumer Accounts Receivable	3-D	98,700.49	125,029.93	Accrued Interest on Bonds and Notes	8-D	2,183.33	2,776.67
						273,437.51	341,327.74
Deferred Charges				Reserve for Receivables	D	98,700.49	125,029.93
Deficit in Operations	D	-	45,546.65	Fund Balance	D-1	260,382.08	109,151.57
						359,082.57	234,181.50
Total Operating Fund		632,520.08	575,509.24	Total Operating Fund		632,520.08	575,509.24
Capital Fund:				Capital Fund:			
Cash and Cash Equivalents	1-D	430,977.20	430,977.20	Serial Bonds	13-D	535,000.00	713,000.00
Fixed Capital	4-D	3,082,908.56	3,082,908.56	Improvement Authorizations:			
Fixed Capital Authorized and Uncompleted	5-D	1,234,625.00	1,234,625.00	Funded	9-D	77,625.16	77,625.16
				Unfunded	9-D	26,883.05	26,883.05
Total Capital Fund		4,748,510.76	4,748,510.76	Capital Improvement Fund	10-D	322,285.62	322,285.62
				Reserve for Amortization	11-D	3,492,908.56	3,314,908.56
				Reserve to Pay Debt Service	D	3,145.91	3,145.91
				Deferred Reserve for Amortization	12-D	262,741.95	262,741.95
				Fund Balance	D-2	27,920.51	27,920.51
Total Assets		\$ 5,381,030.84	\$ 5,324,020.00	Total Capital Fund		4,748,510.76	4,748,510.76
				Total Liabilities, Reserves and Fund Balances		\$ 5,381,030.84	\$ 5,324,020.00

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS

Years ended December 31, 2013 and 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	\$ 109,000.00	\$ -
Water and Sewer Rents and Charges	D-3	2,329,442.57	2,095,686.08
Shared Services - Water Operator	D-3	-	60,871.93
Non-Budget Revenue	D-3	13,520.28	12,636.40
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	5-D	<u>150,824.29</u>	<u>15,352.57</u>
Total Revenue		<u>2,602,787.14</u>	<u>2,184,546.98</u>
Expenditures:			
Operating	D-4	2,027,400.00	2,039,500.00
Debt Service	D-4	210,989.98	135,093.63
Deferred Charges	D-1	45,546.65	-
Statutory Expenditures	D-4	<u>58,620.00</u>	<u>55,500.00</u>
		<u>2,342,556.63</u>	<u>2,230,093.63</u>
Excess / (Deficit) in Revenue		260,230.51	(45,546.65)
Add: Expenditures Included Above Which Are By Statute			
Deferred Charges To Budgets of Succeeding Years	D-1	<u>-</u>	<u>45,546.65</u>
Statutory Excess		260,230.51	-
Fund Balance, January 1	D	<u>109,151.57</u>	<u>109,151.57</u>
		369,382.08	109,151.57
Decreased By:			
Utilized as Anticipated Revenue	D-3	<u>109,000.00</u>	<u>-</u>
Fund Balance, December 31	D	<u>\$ 260,382.08</u>	<u>\$ 109,151.57</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS

Years ended December 31, 2013 and 2012

	<u>Reference</u>	
Balance, December 31, 2013 and 2012	D	<u>\$ 27,920.51</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2013

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 109,000.00	\$ 109,000.00	\$ -
Water/Sewer Rents	1,595,000.00	1,595,000.00	-
Fire Hydrant Service	2,750.00	2,750.00	-
Miscellaneous	260,000.00	260,000.00	-
Shared Services - Water Operator	60,000.00	-	(60,000.00)
Additional Rents per Ordinance 2-12	<u>403,814.61</u>	<u>471,692.57</u>	<u>67,877.96</u>
	<u>\$ 2,430,564.61</u>	<u>\$ 2,438,442.57</u>	<u>\$ 7,877.96</u>
<u>Reference</u>	D-4	D-1	D-3

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Investments	\$ 1,577.92
Interest on Rents	9,821.16
Street Openings	600.00
Other	<u>1,521.20</u>
1-D	<u>\$ 13,520.28</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriations		Paid or Charged	Reserved	Cancelled
	Original Budget	Budget After Modifications			
Operating:					
Salaries & Wages	\$ 364,500.00	\$ 364,500.00	\$ 351,100.19	\$ 13,399.81	\$ -
Other Expenses	275,000.00	285,000.00	276,463.33	8,536.67	-
NJSWA Raw Water Charge	173,400.00	173,400.00	157,591.48	15,808.52	-
NJSWA Treat/Trans Charge	700,000.00	690,000.00	545,488.24	144,511.76	-
South Monmouth Regional Sewer Authority	466,000.00	466,000.00	466,000.00	-	-
Wall Twp. Sewer Charges	8,500.00	8,500.00	7,082.97	1,417.03	-
Capital Outlay	40,000.00	40,000.00	6,824.58	33,175.42	-
Total Operating	2,027,400.00	2,027,400.00	1,810,550.79	216,849.21	-
Debt Service:					
Payment on Bond Principal	178,000.00	178,000.00	178,000.00	-	-
Interest on Bonds	33,320.00	33,320.00	32,989.98	-	330.02
Total Debt Service	211,320.00	211,320.00	210,989.98	-	330.02
Deferred Charges:					
Overexpenditure of Appropriations	133,224.61	133,224.61	45,546.65	-	87,677.96
Total Deferred Charges	133,224.61	133,224.61	45,546.65	-	-
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	27,000.00	27,000.00	27,000.00	-	-
Social Security System (O.A.S.I.)	30,600.00	30,600.00	29,584.06	1,015.94	-
Unemployment Insurance	1,020.00	1,020.00	-	1,020.00	-
Total Statutory Expenditures	58,620.00	58,620.00	56,584.06	2,035.94	-
Total Water/Sewer Utility Appropriations	\$ 2,430,564.61	\$ 2,430,564.61	\$ 2,123,671.48	\$ 218,885.15	\$ 330.02

	Reference	D-3	D-3	D	D-4
Cash Disbursements	1-D			\$ 2,023,572.47	
Encumbrances Payable	6-D			52,369.03	
Overexpenditure of Appropriations	D			45,546.65	
Accrued Interest on Bonds and Notes	7-D			2,183.33	
				\$ 2,123,671.48	

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

(THIS PAGE INTENTIONALLY LEFT BLANK)

PUBLIC ASSISTANCE FUND

EXHIBITS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2013 and 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Cash	I-E	\$ 24,638.17	\$ 16,135.03	Due To Current Fund Reserve for Public Assistance Expenditures	4-E	\$ 57.57	\$ 113.56
Total Assets		\$ 24,638.17	\$ 16,135.03	Total Liabilities and Reserves	3-E	24,580.60	16,021.47
						\$ 24,638.17	\$ 16,135.03

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

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2013

	P.A.T.F. Account I (75%)	P.A.T.F. Account II (100%)	Fund Total
Social Security Reimbursement	\$ -	\$ 741.25	\$ 741.25
State Aid	<u>-</u>	<u>48,000.00</u>	<u>48,000.00</u>
Total Receipts (P.A.T.F)	<u>\$ -</u>	<u>\$ 48,741.25</u>	<u>\$ 48,741.25</u>
<u>Reference</u>	1-E	1-E	1-E

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

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	P.A.T.F. Account I (75%)	P.A.T.F. Account II (100%)	Fund Total
Current Year Assistance (State Matching):			
Maintenance Payments	\$ -	\$ 40,182.12	\$ 40,182.12
Total Expenditures (P.A.T.F)	\$ -	\$ 40,182.12	\$ 40,182.12
<u>Reference</u>	1-E	1-E	1-E

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

(THIS PAGE INTENTIONALLY LEFT BLANK)

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS

December 31, 2013 and 2012

	<u>Reference</u>	Balance December 31, <u>2013</u>	Balance December 31, <u>2012</u>
Land	1-F	\$ 3,107,300.00	\$ 3,107,300.00
Buildings and Improvements	2-F	495,500.00	495,500.00
Machinery, Equipment and Vehicles	3-F	<u>2,311,780.46</u>	<u>2,285,030.46</u>
Total General Fixed Assets		<u>\$ 5,914,580.46</u>	<u>\$ 5,887,830.46</u>
Investment in General Fixed Assets	F-1	<u>\$ 5,914,580.46</u>	<u>\$ 5,887,830.46</u>

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

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by 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 municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

The Borough of Spring Lake Heights, County of Monmouth, New Jersey ("Borough") is governed under the Borough form of New Jersey government, Mayor and Council. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and are not considered component units under GASB 14. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

The accounting policies of the Borough conform to the accounting principles and practices applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The accompanying financial statements are presented in the format prescribed by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and are 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:

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Borough departments.

Trust Funds - are used to account for assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the Borough which have restrictions placed on the use of such funds are recorded in the Trust Fund.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

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

Public Assistance Fund - is used to account for resources restricted in use for the general welfare of citizens living within the Borough.

General Fixed Assets Account Group - The Borough has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land which is valued at estimated market value.

No depreciation is provided for in the financial statements.

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

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. The more significant differences follow.

A modified accrual basis of accounting is followed by the Borough. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and federal grants for operating purposes are realized as revenues when anticipated in the Borough budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Borough which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Borough's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31 for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body. The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Had the Borough's financial statements been prepared under generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

D. 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 State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

E. Grants

Current Fund - State and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund - State and federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund - State and federal grants and assistance awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

F. 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 Local Unit, Local School District, County and Special Districts, 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 Local Unit 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.

G. Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

H. Interfund Receivables

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

I. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, 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 that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

Substantially, all Borough employees participate in the Public Employees' Retirement System ("PERS") and the Police and Fireman's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Borough is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Borough annually at an actuarially determinable rate for its required contribution.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2013	\$ 166,435.00	\$ 260,998.00
2012	165,799.00	218,095.00
2011	173,469.00	343,693.00

Under the provisions of Chapter 78, P.L. 2011, employee pension contribution rates increased during 2011 by the following amounts:

- For PERS members, the employee pension contribution rate increased from 5.5% to 6.5% of salary. An additional increase to be phased over the next 7 years will bring the total pension contribution rate to 7.5% of salary.

For PERS Prosecutors Part members, the employee pension contribution rate increased from 8.5% to 10% of salary.

- For PFRS members, the employee pension contribution rate increased from 8.5% to 10% of salary.

For local government employees and State employees who are not paid through the State Centralized Payroll Unit or not reported on a biweekly payroll schedule, the increase was effective with the first payroll amount to be paid on or after October 1, 2011.

The second phase of the employee contribution increase from 6.5% to 7.5% applies to PERS members. This increase is to be phased in equally over a 7-year period beginning July 2012. The contribution rate will increase by 0.14% each year with the first payroll of July until the 7.5% contribution rate is reached in July, 2018.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

I. Summary of Significant Accounting Policies (continued)

J. Pension Plans (continued)

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (“DCRP”) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax-deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law required that 3 classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is re-elected to an elected office held prior to that date without a break in service may remain in the PERS.
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor’s term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in the PERS.

Contributions made by employees for the DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

During the year 2013, there was 1 official or employee enrolled in the DCRP.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

K. Volunteer Length of Service Award Plans

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer First Aid squad. In 2012, the Borough assumed the Plan for the Volunteer Fire Department that was previously administered by the Spring Lake Heights Fire District, which was dissolved. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

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

L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments

New Jersey statutes establish the following securities as eligible for the investment of Borough funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) 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.
- (d) 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.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

Repurchase agreements (15.1(a)(8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (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.

Local Government Investment Pools ("LGIP") (15.1(e)(2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

The Borough is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Borough or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1.

M. Inventories of Supplies

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

N. Subsequent Events

The Borough has evaluated subsequent events occurring after December 31, 2013 through the date of July 19, 2014, which is the date the financial statements were available to be issued.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

2. Deposits and Investments

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

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at December 31, 2013 and 2012 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2013 and 2012, the book values of the Borough's deposits were \$5,941,473.55 and \$5,778,329.89, respectively.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. 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. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At December 31, 2013 and 2012, the Borough's bank balances of \$5,963,349.46 and \$5,841,457.17, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2013</u>	<u>2012</u>
Insured	\$ 5,910,339.33	\$ 5,525,299.88
Uninsured and Uncollateralized	<u>53,010.13</u>	<u>316,157.29</u>
	<u>\$ 5,963,349.46</u>	<u>\$ 5,841,457.17</u>

Investments

As of December 31, 2013, the Borough had no investments.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

3. Interfund Balances and Activity

Balances due to/from other funds at December 31, 2013 consist of the following:

Due to Current Fund from Trust Other Fund representing cash advance.	\$ 13,710.11
Due to Current Fund from Unemployment Trust Fund representing cash advance.	51.71
Due to Current Fund from Grant Fund representing cash advance.	69.89
Due to Current Fund from Public Assistance Fund representing interest income.	57.57

The purpose of these interfunds is short term borrowing.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

4. Taxes, Water/Sewer Receivables

Taxes Receivable

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

Comparative Schedule of Tax Rate Information

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	\$ 1.280	\$ 1.259	\$ 1.258

Apportionment of Tax Rate

Municipal	0.347	0.345	0.318
County	0.280	0.279	0.280
Local School	0.653	0.635	0.627
Special District	0.000	0.000	0.033

Assessed Valuations

2013	\$ 1,155,836,700.00		
2012	\$ 1,159,454,936.00		
2011		\$ 1,156,709,201.00	

Comparison of Tax Levies and Collection Currently

<u>Year</u>	<u>Tax Levy</u>		<u>Currently</u>	
			<u>Cash</u>	<u>Percentage</u>
			<u>Collections</u>	<u>of</u>
				<u>Collections</u>
2013	\$ 14,810,105.46	\$	14,447,213.91	97.55%
2012	14,627,492.94		14,265,166.75	97.52
2011	14,589,721.09		14,372,934.75	98.51

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of</u> <u>Tax Title</u> <u>Liens</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u>	<u>Percentage</u> <u>of</u> <u>Tax Levy</u>
2013	\$ 16,239.09	\$ 293,974.54	\$ 310,213.63	2.10%
2012	12,990.24	321,118.86	308,128.62	2.11
2011	0.00	200,457.51	200,457.51	1.37

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

4. Taxes, Water/Sewer Receivables

Water/Sewer Receivables

Comparison of Water/Sewer Utility Rents Levied

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2013	\$ 2,303,113.13	\$ 125,029.93	\$ 2,329,442.57
2012	2,151,913.05	66,052.96	2,092,936.08
2011	1,840,454.92	82,675.64	1,857,077.60

5. Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2013	\$ 28,900.00
2012	28,900.00
2011	28,900.00

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

6. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2013 and 2012:

<u>2013</u>	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Adjustments</u>	Balance, December 31, <u>2013</u>
Land	\$ 3,107,300.00			\$ 3,107,300.00
Buildings and Improvements	495,500.00			495,500.00
Machinery, Equipment and Vehicles	<u>2,285,030.46</u>	\$ <u>26,750.00</u>	<u> </u>	<u>2,311,780.46</u>
Total	<u>\$ 5,887,830.46</u>	<u>\$ 26,750.00</u>	<u>\$ 0.00</u>	<u>\$ 5,914,580.46</u>

<u>2012</u>	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Adjustments</u>	Balance, December 31, <u>2012</u>
Land	\$ 3,107,300.00			\$ 3,107,300.00
Buildings and Improvements	495,500.00			495,500.00
Machinery, Equipment and Vehicles	<u>1,751,624.46</u>	\$ <u>533,406.00</u>	<u> </u>	<u>2,285,030.46</u>
Total	<u>\$ 5,354,424.46</u>	<u>\$ 533,406.00</u>	<u>\$ 0.00</u>	<u>\$ 5,887,830.46</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

7. Long-Term Debt

Summary of Municipal Debt (Excluding
Current and Operating Debt and Type I School Debt)

<u>Issued</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General:			
Bonds and Notes	\$ 1,565,000.00	\$ 1,650,000.00	\$ 3,720,000.00
Water/Sewer Utility:			
Bonds and Notes	<u>535,000.00</u>	<u>713,000.00</u>	<u>1,555,000.00</u>
Net Debt Issued	<u>2,100,000.00</u>	<u>2,363,000.00</u>	<u>5,275,000.00</u>
 <u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	417,626.94	623,188.02	623,188.02
Water/Sewer Utility:			
Bonds and Notes	<u>26,883.05</u>	<u>26,883.05</u>	<u>26,883.05</u>
Total Authorized But Not Issued	<u>444,509.99</u>	<u>650,071.07</u>	<u>650,071.07</u>
Net Bonds and Notes Issued & Authorized But Not Issued	<u>\$ 2,544,509.99</u>	<u>\$ 3,013,071.07</u>	<u>\$ 5,925,071.07</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 0.180%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$ 3,645,000.00	\$ 3,645,000.00	
General Debt	1,982,626.94	8,049.48	\$ 1,974,577.46
Water/Sewer Utility Debt	<u>561,883.05</u>	<u>561,883.05</u>	
	<u>\$ 6,189,509.99</u>	<u>\$ 4,214,972.53</u>	<u>\$ 1,974,577.46</u>

Net Debt \$1,974,577.46 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,094,788,442.00 = 0.180%.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

7. Long-Term Debt (continued)

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 38,317,595.47
Less: Net Debt	<u>1,974,577.46</u>
Remaining Borrowing Power	<u>\$ 36,343,018.01</u>

Calculation of Self-Liquidating Purpose - Water/Sewer Utility Fund per NJS 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 2,342,962.85
Deductions:	
Operating, Maintenance Costs and Statutory Expenditures	\$ 2,000,359.46
Debt Service per Water/Sewer Account	<u>210,989.98</u>
Total Deductions	<u>2,211,349.44</u>
Excess (Deficit) in Revenue	<u>\$ 131,613.41</u>

The Borough's long-term debt consisted of the following at December 31, 2013:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2013</u>
<u>General Bonds and Loans</u>				
General Improvements	12/29/11	1,740,000.00	Various	<u>\$ 1,565,000.00</u>
<u>Water/Sewer Utility Bonds</u>				
General Improvements	12/29/11	645,000.00	Various	<u>\$ 535,000.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

7. Long-Term Debt (continued)

Debt Service requirements during the next several years are as follows:

General Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 90,000.00	\$ 65,900.00	\$ 155,900.00
2015	95,000.00	62,300.00	157,300.00
2016	100,000.00	57,550.00	157,550.00
2017	105,000.00	52,550.00	157,550.00
2018	110,000.00	47,300.00	157,300.00
2019	115,000.00	41,800.00	156,800.00
2020	120,000.00	36,050.00	156,050.00
2021	125,000.00	30,050.00	155,050.00
2022	130,000.00	23,800.00	153,800.00
2023	135,000.00	18,600.00	153,600.00
2024	145,000.00	13,200.00	158,200.00
2025	145,000.00	8,850.00	153,850.00
2026	<u>150,000.00</u>	<u>4,500.00</u>	<u>154,500.00</u>
	<u>\$ 1,565,000.00</u>	<u>\$ 462,450.00</u>	<u>\$ 2,027,450.00</u>

Water/Sewer Utility Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 55,000.00	\$ 26,200.00	\$ 81,200.00
2015	60,000.00	24,000.00	84,000.00
2016	60,000.00	21,000.00	81,000.00
2017	65,000.00	18,000.00	83,000.00
2018	70,000.00	14,750.00	84,750.00
2019	70,000.00	11,250.00	81,250.00
2020	75,000.00	7,750.00	82,750.00
2021	<u>80,000.00</u>	<u>4,000.00</u>	<u>84,000.00</u>
	<u>\$ 535,000.00</u>	<u>\$ 126,950.00</u>	<u>\$ 661,950.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

8. Bond Anticipation Notes

The Borough issues bond anticipation notes to temporarily fund various 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 ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

On December 31, 2013, the Borough did not have any outstanding bond anticipation notes.

9. Bonds and Notes Authorized But Not Issued

At December 31, 2013, the Borough had authorized but not issued bonds and notes of the General Capital Fund totaling \$417,626.94 and of the Water/Sewer Utility Fund totaling \$26,883.05.

10. Deferred Charges to be Raised In Succeeding Years' Budgets

The following deferred charge is shown on the December 31, 2013 Current Fund Balance Sheet and will be raised in succeeding years' budgets.

Special Emergency Authorization	\$ <u>112,000.00</u>
---------------------------------	----------------------

11. School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. Tax revenue for the Borough of Spring Lake Heights Board of Education has been collected and the liability deferred by statute, resulting in school taxes payable set forth in the Current Fund Balance Sheet as follows:

	Balance <u>December 31, 2013</u>	Balance <u>December 31, 2012</u>
Balance of Tax Reserve for School	\$ 3,639,986.91	\$ 3,484,345.73
Tax Levy	17,617.23	17,617.23
Deferred	<u>1,083,894.75</u>	<u>1,083,894.75</u>
Payable	<u>\$ 2,538,474.93</u>	<u>\$ 2,383,410.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

12. Fund Balance Appropriated

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2013	\$ 428,821.96	\$ 290,000.00
2012	412,712.49	290,000.00
2011	646,954.06	445,150.00
2010	523,093.82	380,000.00
2009	810,449.31	600,000.00

Water/Sewer Utility Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2013	\$ 260,382.08	\$ 0.00
2012	109,151.57	109,000.00
2011	109,151.57	0.00
2010	207,323.08	195,835.15
2009	397,080.59	293,952.90

13. Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. Effective for financial statements dated December 31, 1987, the state has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end.

The Borough has permitted employees to accrue unused vacation and sick leave, which may be taken off or paid at a later date with the exception of sick leave. The Borough estimated the current cost of such unpaid compensation as of December 31, 2013 to be approximately \$587,476.00. The amount is not reported either as an expenditure or liability. The Borough has funded \$23,243.67 of these funds in the Trust reserves.

14. 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 provide 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. All funds collected from employees are transmitted to the state for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2013 and 2012 totaled \$12,245.77 and \$12,985.34 respectively.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

15. Contingent Liabilities

State and Federal Grants

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant 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 estimates that no material liabilities will result from such audits.

Pending Litigation

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

16. Risk Management

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

17. Deferred Compensation Program

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to 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 New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

18. Tax Appeals

The Borough has various commercial and residential tax appeal cases pending before the Tax Court of New Jersey. The Borough has been advised by legal counsel that some of these appeals will be successful, but the potential loss from these appeals is not quantifiable.

SUPPLEMENTARY STATEMENTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

CURRENT FUND
STATEMENTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF CASH - TREASURER

Year ended December 31, 2013

	<u>Reference</u>		<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2012	A		\$ 3,640,739.99	\$ 43,935.09
Increased By Receipts:				
Miscellaneous Revenue Not Anticipated	A-2	\$ 24,443.25		
Due To:				
State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	66,900.00		
State of New Jersey	17-A	4,693.16		
Tax Collections	4-A	14,570,045.45		
Interfunds Returned	13-A	12,813.17		
Revenue Accounts Receivable	6-A	992,477.58		
Prepaid Taxes	10-A	96,102.56		
Tax Overpayments	15-A	4,846.96		
Reserve for Polling Place Fees	18-A	800.00		
Other	1-A	24,048.37		
Due from Current Fund	1-A		\$ 55.00	
Grants Receivable	19-A		<u>68,606.46</u>	<u>68,661.46</u>
			<u>15,797,170.50</u>	<u>112,596.55</u>
Decreased By Disbursements:				
2013 Budget Appropriation	A-3	4,736,878.15		
Interfunds Advanced	13-A	19,710.00		
Appropriation Reserves	8-A	219,920.35		
County Taxes	11-A	3,240,858.52		
Local District School Taxes	12-A	7,394,783.82		
Accounts Payable	14-A	283.50		
Tax Overpayments	15-A	21.82		
Municipal Open Space Tax	16-A	231,529.49		
Due to Grant Fund	1-A	55.00		
Due To State of New Jersey	17-A	4,022.48		
Refund of Prior Year Revenue Reserve for:	A-1	1,205.22		
Tax Appeals	18-A	3,500.00		
State Grants - Appropriated	20-A	-		
			<u>53,117.27</u>	<u>53,502.38</u>
Balance, December 31, 2013	A		<u>\$ 3,585,142.14</u>	<u>\$ 59,094.17</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF CHANGE FUND

Year ended December 31, 2013

<u>Office</u>	<u>Balance December 31, 2013 and 2012</u>
Tax/Utility Collector	\$ 355.00
Registrar	100.00
Municipal Court Clerk	<u>150.00</u>
	<u>\$ 605.00</u>
<u>Reference</u>	A

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF DUE TO STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	A		\$ 1,864.38
Increased By:			
Cash Receipts	1-A	\$ 66,900.00	
Senior Citizens Deductions			
Disallowed by Collector:			
2013	4-A	206.85	
2012	4-A	<u>278.77</u>	
			<u>67,385.62</u>
			69,250.00
Decreased By:			
Senior Citizens' Deductions Per Billing	4-A	6,250.00	
Veterans' Deductions Per Tax Billing	4-A	60,750.00	
2012 Senior Citizens' Allowed	4-A	<u>250.00</u>	
			<u>67,250.00</u>
Balance, December 31, 2013	A		<u>\$ 2,000.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2013

Year	Balance December 31, 2012	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Adjusted/ Cancelled	Transferred To Tax Title Liens	Balance December 31, 2013
		2012	2013				
2012	\$ 308,128.62	\$ -	\$ 301,780.02	\$ (278.77)	\$ 790.65	\$ -	\$ 5,836.72
2013	-	111,905.33	14,268,265.43	67,043.15	71,504.88	3,248.85	288,137.82
	<u>\$ 308,128.62</u>	<u>\$ 111,905.33</u>	<u>\$ 14,570,045.45</u>	<u>\$ 66,764.38</u>	<u>\$ 72,295.53</u>	<u>\$ 3,248.85</u>	<u>\$ 293,974.54</u>
Reference	A	10-A	1-A	3-A	4-A	5-A	A

Analysis of Property Tax Levy

Tax Yield

	Reference
General Purpose Tax:	
General Property Tax	4-A
Added and Omitted Taxes	4-A
	\$ 14,794,709.76
	<u>15,395.70</u>
	<u>\$ 14,810,105.46</u>

Tax Levy:

County Taxes	11-A	
Due County for Added Taxes	11-A	\$ 3,234,220.08
		<u>4,081.46</u>
Local District School Tax	12-A	\$ 3,238,301.54
Municipal Open Space Tax	16-A	7,549,425.00
Local Taxes for Municipal Purposes	A-2	115,584.00
Add: Additional Tax Levied	4-A	3,887,260.34
		<u>20,247.99</u>
		<u>\$ 14,810,818.87</u>

Analysis of Current Year Tax Collections

2012 Cash Collections of 2013 Taxes	4-A	\$ 111,905.33
2013 Cash Collections of 2013 Taxes	4-A	14,268,265.43
Senior Citizens' and Veterans': Allowed on 2013 Taxes	3-A	<u>67,043.15</u>
	A-1,A-2	<u>\$ 14,447,213.91</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 12,990.24
Inceased By:		
Transferred from Taxes Receivable	4-A	<u>3,248.85</u>
Balance, December 31, 2013	A	<u>\$ 16,239.09</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	Accrued in <u>2013</u>	<u>Collections</u>	Balance December 31, <u>2013</u>
Alcoholic Beverages	\$ -	\$ 20,000.00	\$ 20,000.00	\$ -
Fees and Permits	-	68,000.00	68,000.00	-
Municipal Court	4,702.21	105,000.00	102,529.86	7,172.35
Interest and Costs on Taxes	-	48,000.00	48,000.00	-
Interest on Investments and Deposits	-	7,700.00	7,700.00	-
Fire Tax Reserve for Dissolution				
Energy Receipts Tax	-	399,325.00	399,325.00	-
Uniform Construction Code Fees		60,000.00	60,000.00	-
Spring Lake Heights School - Ground Maintenance	-	10,000.00	10,000.00	-
Uniform Fire Safety Act	-	3,200.00	3,200.00	-
Cable TV Franchise Fees	-	66,832.00	66,832.00	-
Cell Tower Fees	-	110,000.00	110,000.00	-
Fiber Optic Franchise Fees	-	19,000.00	19,000.00	-
FEMA Reimbursement (Sandy)	-	28,000.00	28,000.00	-
Open Space Trust Debt Contribution	-	50,000.00	50,000.00	-
	<u>\$ 4,702.21</u>	<u>\$ 995,057.00</u>	<u>\$ 992,586.86</u>	<u>\$ 7,172.35</u>
	<u>Reference</u>	A	6-A	A
Cash Receipts	1-A		\$ 992,477.47	
Due From:				
Trust Other Fund	13-A		0.11	
Unemployment Trust Fund	13-A		51.71	
Public Assistance Fund	13-A		<u>57.57</u>	
	A-2		<u>\$ 992,586.86</u>	

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF DEFERRED CHARGES - N.J.S.A. 40A:4-53
 SPECIAL EMERGENCY AUTHORIZATIONS

Year ended December 31, 2013

<u>Year</u>	<u>Description</u>	<u>Amount</u>	<u>Balance December 31, 2012</u>	<u>Raised in 2013 Budget</u>	<u>Balance December 31, 2013</u>
2012	Superstorm Sandy	\$ 140,000.00	<u>\$ 140,000.00</u>	<u>\$ 28,000.00</u>	<u>\$ 112,000.00</u>
		<u>Reference</u>	A	A-3	A

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF 2012 APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	\$ 2,920.58	\$ 4,120.58	\$ 4,043.89	76.69
Other Expenses	17,104.71	21,225.77	4,413.77	\$ 16,812.00
Mayor and Council:				
Salaries and Wages	104.48	354.48	350.75	3.73
Other Expenses	3,407.85	3,407.85	-	3,407.85
Municipal Clerk:				
Other Expenses	1,410.90	1,410.90	-	1,410.90
Financial Administration (Treasury):				
Salaries and Wages	485.59	485.59	-	485.59
Other Expenses	15,055.31	16,155.81	1,657.80	14,498.01
Revenue Administration (Tax Collection):				
Salaries and Wages	8,435.46	2,685.46	912.70	1,772.76
Other Expenses	3,294.04	3,361.04	732.00	2,629.04
Tax Assessment Administration:				
Salaries and Wages	5,748.02	748.02	582.74	165.28
Other Expenses	10,759.66	10,938.51	178.85	10,759.66
Department of Law:				
Other Expenses	13,067.30	13,870.33	7,876.19	5,994.14
Division of Engineering:				
Other Expenses	5,265.00	5,265.00	-	5,265.00
LAND USE ADMINISTRATION				
Planning Board:				
Salaries and Wages	16.80	41.80	40.71	1.09
Other Expenses	4,260.15	4,440.15	867.50	3,572.65
Zoning Board of Adjustment:				
Salaries and Wages	16.79	41.79	40.72	1.07
Other Expenses	1,710.96	1,890.96	180.00	1,710.96
Beautification Committee:				
Other Expenses	113.54	1,500.00	1,474.83	25.17
Zoning /Code Enforcement:				
Salaries and Wages	-	500.00	448.32	51.68
Other Expenses	176.82	220.52	10.70	209.82
INSURANCE				
Group Insurance	180.25	5,031.12	5,031.12	-
PUBLIC SAFETY				
Police Department:				
Salaries and Wages	460.54	28,460.54	27,781.97	678.57
Other Expenses	18,481.51	21,445.35	3,173.56	18,271.79
Emergency Management Services:				
Salaries and Wages	7,965.98	7,965.98	-	7,965.98
Other Expenses	1,105.00	1,105.00	-	1,105.00
Supplemental Fire Services				
	2,030.00	2,030.00	-	2,030.00
Fire Safety Act:				
Salaries and Wages	1,030.92	1,030.92	298.25	732.67
Other Expenses	820.73	820.73	-	820.73
Prosecutor's Office:				
Salaries and Wages	16.00	316.00	290.40	25.60
Other Expenses	1,000.00	1,000.00	-	1,000.00
Municipal Court:				
Other Expenses	2,192.31	2,192.31	-	2,192.31
Fire Department				
Other Expenses	10,068.39	84,001.98	71,247.21	-

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF 2012 APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
PUBLIC WORKS				
Streets and Road Maintenance:				
Salaries and Wages	26.33	2,126.33	2,031.70	94.63
Other Expenses	11,038.71	12,466.56	1,272.05	11,194.51
Solid Waste Collection:				
Salaries and Wages	24,281.45	8,281.45	6,334.35	1,947.10
Other Expenses	1,070.29	1,631.29	506.00	1,125.29
Buildings and Grounds:				
Other Expenses	4,228.81	6,823.12	3,550.28	3,272.84
Vehicle Maintenance:				
Salaries and Wages	1,613.32	1,963.32	1,890.95	72.37
Other Expenses	13,402.86	14,780.04	3,592.99	11,187.05
HEALTH AND HUMAN SERVICES				
Public Health Services (Board of Health):				
Salaries and Wages	37.81	37.81	29.34	8.47
Other Expenses	200.00	200.00	-	200.00
Environmental Health Services:				
Other Expenses	1,160.00	1,160.00	-	1,160.00
Welfare/Administration of Public Assistance:				
Salaries and Wages	315.23	315.23	145.52	169.71
Animal Control Services:				
Other Expenses	450.00	450.00	450.00	-
PARKS AND RECREATION				
Recreation Services and Programs:				
Salaries and Wages	1,608.73	1,608.73	-	1,608.73
Other Expenses	100.00	100.00	-	100.00
Seniors/Special Events	1,400.00	1,400.00	-	1,400.00
Accumulated Leave Compensation	5,000.00	5,000.00	-	5,000.00
UTILITY EXPENSE AND BULK PURCHASES				
Utilities	2,476.39	24,948.65	23,830.06	1,118.59
LANDFILL/SOLID WASTE DISPOSAL COSTS				
Sanitary Landfill:				
Other Expenses	9,274.69	13,234.99	12,728.72	506.27
Salary and Wage Adjustment				
Contingent	1,000.00	1,000.00	-	1,000.00
Statutory Expenditures:				
Contribution To:				
Public Employees Retirement System	701.00	701.00	-	701.00
Social Security System (O.A.S.I.)	11,159.61	5,159.61	3,677.57	1,482.04
Police and Firemen's Retirement System of NJ	5.00	5.00	-	-
DCRP - Employer Contribution	219.89	219.89	18.01	201.88
Stormwater Management:				
Salaries and Wages	28,635.24	28,635.24	9,536.93	19,098.31
Other Expenses	268.87	268.87	-	268.87

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF 2012 APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance December 31, 2012	Balance After Modifications	Paid or Charged	Balance Lapsed
Recycling Tax	5,500.00	5,500.00	-	5,500.00
LOSAP First Aid	5,412.36	5,412.36	500.00	-
LOSAP Fire Company	4,349.00	4,349.00	-	-
Capital Improvements				
Building Improvements	5,000.00	5,000.00	-	5,000.00
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
Southern Monmouth Community Alliance to Prevent Alcoholism and Drug Abuse:				
Other Expenses	330.30	330.30	-	330.30
County of Monmouth - 911 System:				
Other Expenses	3,000.00	3,000.00	-	3,000.00
County of Monmouth - Police Computer:				
Other Expenses	5,000.00	5,000.00	1,952.20	3,047.80
Spring Lake Heights BOE-Grounds Maintenance	10,000.00	10,000.00	-	10,000.00
LOSAP First Aid				
Monmouth County Regional Health Commission				
Spring Lake/Spring Lake Heights Joint Dispatch Authority				
Spring Lake - Construction	467.53	467.53	-	467.53
Shared Services - Municipal Court				
Salaries and Wages	21,993.62	21,993.62	328.07	21,665.55
Other Expenses	26,000.00	26,000.00	13,750.00	12,250.00
Sea Girt - Roll Off Truck	-	2,250.00	2,250.00	-
Total General Appropriations	<u>\$ 345,432.63</u>	<u>\$ 469,884.43</u>	<u>\$ 220,008.72</u>	<u>\$ 249,875.71</u>
	<u>Reference</u>	A		A-1
Appropriation Reserves	A	\$ 345,432.63		
Encumbrances Payable	9-A	<u>124,451.80</u>		
		<u>\$ 469,884.43</u>		
Cash Disbursements	1-A		\$ 219,920.35	
Accounts Payable	14-A		<u>88.37</u>	
			<u>\$ 220,008.72</u>	

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF ENCUMBRANCES PAYABLE

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	A		\$ 223,377.05
Increased By:			
Transferred From 2013 Appropriations	A-3		<u>85,927.70</u>
			309,304.75
Decreased By:			
Encumbrances Cancelled	A-1	\$ 98,925.25	
Transferred To Appropriation Reserves	8-A	<u>124,451.80</u>	
			<u>223,377.05</u>
Balance, December 31, 2013	A		<u><u>\$ 85,927.70</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF PREPAID TAXES

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 111,905.33
Increased By:		
Cash Receipts	1-A	<u>96,102.56</u>
		208,007.89
Decreased By:		
Applied To Taxes Receivable	4-A	<u>111,905.33</u>
Balance, December 31, 2013	A	<u><u>\$ 96,102.56</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF COUNTY TAXES PAYABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 5,925.03
Increased By:		
2013 Tax Levy:		
County Tax	A-1,4-A	\$ 2,888,623.82
County Library Tax	A-1,4-A	185,370.05
County Open Space Fund Tax	A-1,4-A	160,226.21
2012 County for Added Taxes	A-1	713.41
Due County for Added Taxes	A-1,4-A	<u>3,368.05</u>
		<u>3,238,301.54</u>
		3,244,226.57
Decreased By:		
Cash Disbursements	1-A	<u>3,240,858.52</u>
Balance, December 31, 2013	A	<u>\$ 3,368.05</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012			
Reserve for School Tax Levy	A	\$ 17,617.23	
School Tax Payable	A	2,383,833.75	
School Tax Deferred	12-A	<u>1,083,894.75</u>	\$ 3,485,345.73
Increased By:			
Levy (School Year July 1, 2013 to June 30, 2014)	A-1,4-A		<u>7,549,425.00</u>
			11,034,770.73
Decreased By:			
Cash Disbursements	1-A		<u>7,394,783.82</u>
Balance, December 31, 2013			
Reserve for School Tax Levy	A	17,617.23	
School Tax Payable	A	2,538,474.93	
School Tax Deferred	12-A	<u>1,083,894.75</u>	<u>\$ 3,639,986.91</u>
 <u>2013 Liability for Local District School Tax</u>			
Tax Payable, December 31, 2013	A		\$ 2,538,474.93
Tax Paid	1-A		<u>7,394,783.82</u>
			9,933,258.75
Less:			
Tax Payable, December 31, 2012	12-A		<u>2,383,833.75</u>
Amount Charged To 2013 Operations	A-1		<u>\$ 7,549,425.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF INTERFUNDS RECEIVABLE/(PAYABLE)

Year ended December 31, 2013

	Reference	Total	General Capital Fund	Trust Other Fund	Unemployment Trust Fund	Public Assistance Fund
Balance, December 31, 2012	A	\$ 7,813.17	\$ (5,000.00)	\$ 12,518.84	\$ 180.77	\$ 113.56
Increased By:						
Interest Income	6-A	109.39	-	0.11	51.71	57.57
Cash Disbursement	1-A	19,710.00	6,000.00	13,710.00	-	-
	A-1	19,819.39	6,000.00	13,710.11	51.71	57.57
		27,632.56	1,000.00	26,228.95	232.48	171.13
Decreased By:						
Budget Appropriation	A-3	1,000.00	1,000.00	-	-	-
Cash Receipts	1-A	12,813.17	-	12,518.84	180.77	113.56
		13,813.17	1,000.00	12,518.84	180.77	113.56
Balance, December 31, 2013	A-1	\$ 13,819.39	\$ -	\$ 13,710.11	\$ 51.71	\$ 57.57
Interfunds Receivable	A	\$ 13,819.39				
	A-1	\$ 13,819.39				

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF ACCOUNTS PAYABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 8,763.40
Increased By:		
Charged To 2012 Appropriation Reserves	8-A	<u>88.37</u>
		8,851.77
Decreased By:		
Cash Disbursements	1-A	\$ 283.50
Accounts Payable Cancelled	A-1	<u>8,479.90</u>
		<u>8,763.40</u>
Balance, December 31, 2013	A	<u><u>\$ 88.37</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF TAX OVERPAYMENTS PAYABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 21.82
Increased By:		
Cash Receipts	1-A	<u>4,846.96</u>
		4,868.78
Decreased By:		
Cash Disbursements	1-A	<u>21.82</u>
Balance, December 31, 2013	A	<u><u>\$ 4,846.96</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF MUNICIPAL OPEN SPACE TAX-DUE TO OPEN SPACE TRUST

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 115,945.49
Increased By:		
2013 Levy	A-1,4-A	<u>115,584.00</u>
		231,529.49
Decreased By:		
Cash Disbursements	1-A	<u>231,529.49</u>
Balance, December 31, 2013	A	<u>\$ -</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2013</u>
Marriage License Fees	\$ 75.00	\$ 650.00	\$ 800.00	\$ (75.00)
DCA Training Fees	<u>682.96</u>	<u>4,043.16</u>	<u>3,222.48</u>	<u>1,503.64</u>
	<u>\$ 757.96</u>	<u>\$ 4,693.16</u>	<u>\$ 4,022.48</u>	<u>\$ 1,428.64</u>
<u>Reference</u>	A	1-A	1-A	A

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF VARIOUS RESERVES

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	<u>Increased</u>	Cash <u>Disbursed</u>	Balance December 31, <u>2013</u>
Reserve For:				
Codification	\$ 18,391.40	\$ -	\$ -	\$ 18,391.40
Tax Appeals	101,102.84	-	3,500.00	97,602.84
Polling Place Rental Fees	400.00	800.00	-	1,200.00
Revaluation	<u>28,106.90</u>	<u>-</u>	<u>-</u>	<u>28,106.90</u>
	<u>\$ 148,001.14</u>	<u>\$ 800.00</u>	<u>\$ 3,500.00</u>	<u>\$ 145,301.14</u>
<u>Reference</u>	A	A-3	1-A	A

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

STATEMENT OF STATE GRANTS RECEIVABLE

Year ended December 31, 2013

	Balance December 31, 2012	Increased By Revenue Anticipated 2013	Cash Receipts	Balance December 31, 2013
Clean Communities Program	\$ -	\$ 11,764.15	\$ 11,764.15	\$ -
Body Armor Fund	-	1,869.98	1,869.98	-
Over the Limit Under Arrest	-	-	-	-
NJ HAVA Section 261	64,496.00	-	36,340.00	28,156.00
Recycling Tonnage Grant	-	6,790.25	6,790.25	-
Drunk Driving Enforcement	-	2,242.08	2,242.08	-
Cops in Shops	-	1,200.00	1,200.00	-
Drive Sober Get Pulled Over	-	-	-	-
Click It or Ticket	-	4,000.00	4,000.00	-
Municipal Recycling Grant	-	-	-	-
Drive Sober or Get Pulled Over	-	4,400.00	4,400.00	-
NCRS Grant	-	214,500.00	-	214,500.00
	<u>\$ 64,496.00</u>	<u>\$ 246,766.46</u>	<u>\$ 68,606.46</u>	<u>\$ 242,656.00</u>

Reference A A-2 1-A A

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

STATEMENT OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2013

	Balance December 31, 2012	2013 <u>Authorizations</u>	<u>Expended</u>	<u>Cancelled</u>	Balance December 31, 2013
Alcohol Education Rehabilitation Fund	\$ 335.08	\$ -	\$ -	\$ -	\$ 335.08
Emergency Road Repair - 2001	22.50	-	-	-	22.50
Drunk Driving Enforcement Fund	487.96	-	487.96	-	-
Body Armor Replacement Fund - 2002	149.91	-	149.91	-	-
Stormwater Management	4,937.90	-	-	-	4,937.90
Body Armor Replacement Fund	561.61	-	561.61	-	-
Body Armor Replacement Fund	-	-	-	-	-
Municipal Recycling Grant	20,000.00	-	-	-	20,000.00
Clean Communities Program	10,019.89	-	10,019.89	-	-
Body Armor Grant	1,550.79	-	1,550.79	-	-
Over the Limit Under Arrest	4,400.00	-	-	-	4,400.00
Click It or Ticket	6,025.00	-	-	-	6,025.00
NJ HAVA Section 261	48,887.25	-	20,037.00	-	28,850.25
Recycling Tonnage Grant	8,804.79	-	-	-	8,804.79
Drunk Driving Enforcement	1,433.80	-	1,424.42	-	9.38
Drive Sober Get Pulled Over	400.00	-	-	400.00	-
Over The Limit Under Arrest	414.61	-	-	-	414.61
Click it or Ticket CY13	-	4,000.00	4,000.00	-	-
Clean Communities CY13	-	11,764.15	11,103.93	-	660.22
Driver Sober GPO CY13	-	4,400.00	4,400.00	-	-
Drunk Driving Enforcement CY13	-	2,242.08	658.96	-	1,583.12
Cops in Shops CY13	-	1,200.00	1,200.00	-	-
Recycling Tonnage Grant CY13	-	6,790.25	-	-	6,790.25
Body Armor CY13	-	1,869.98	-	-	1,869.98
NCRS Grant CY13	-	214,500.00	1,950.00	-	212,550.00
	<u>\$ 108,431.09</u>	<u>\$ 246,766.46</u>	<u>\$ 57,544.47</u>	<u>\$ 400.00</u>	<u>\$ 297,253.08</u>

Reference

A

A-3

1-A

19-A

A

Cash Disbursement

1-A

\$ 53,117.27

Reserve for Encumbrances

A

4,427.20

\$ 57,544.47

TRUST FUND
STATEMENTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

STATEMENT OF CASH - TREASURER

Year ended December 31, 2013

	<u>Reference</u>	<u>Animal Control Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Other Trust Funds</u>
Balance, December 31, 2012	B	\$ 992.97	\$ 13,166.11	\$ 399,388.86
Increased By Receipts:				
Due To:				
Current Fund	B	-	51.71	-
State of New Jersey	2-B	514.20	-	-
Interfunds Returned		-	-	115,945.49
Due from Payroll Fund	4-B	-	-	336,318.81
Various Trust Funds		-	-	-
Reserve for:				
Animal Control Trust Fund	3-B	2,462.36	-	-
		<u>2,976.56</u>	<u>51.71</u>	<u>452,264.30</u>
		3,969.53	13,217.82	851,653.16
Decreased By Disbursements:				
Due To State of New Jersey	2-B	513.00	-	-
Various Trust Funds	4-B	-	-	315,838.44
Interfund Trust Funds		-	180.77	-
Reserve for:				
Animal Control Trust Fund	3-B	1,982.00	-	-
Unemployment Compensation	5-B	-	739.57	-
		<u>2,495.00</u>	<u>920.34</u>	<u>315,838.44</u>
Balance, December 31, 2013	B	\$ 1,474.53	\$ 12,297.48	\$ 535,814.72

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

STATEMENT OF DUE (FROM)/TO STATE OF NEW JERSEY

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ (1.00)
Increased By:		
Payments	1-B	<u>514.20</u>
		513.20
Decreased By:		
2013 License Fees	1-B	<u>513.00</u>
Balance, December 31, 2013	B	<u><u>\$ 0.20</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ 993.97
Increased By:		
Dog License Fees Collected	1-B	<u>2,462.36</u>
		3,456.33
Decreased By:		
Expenditures Under R.S. 4:19-15:11	1-B	<u>1,982.00</u>
Balance, December 31, 2013	B	<u>\$ 1,474.33</u>

License Fees Collected

2011	\$ 2,592.00
2012	<u>3,077.60</u>
	<u>\$ 5,669.60</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

STATEMENT OF VARIOUS TRUST FUND RESERVES

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	<u>Increase</u>	<u>Decrease</u>	Balance December 31, <u>2013</u>
Accumulated Absence Trust	\$ 39,848.67	\$ -	\$ 16,605.00	\$ 23,243.67
Cash Performance Bond	44,314.44	58,288.39	14,342.66	88,260.17
Community Center - Donation Rider	545.34	-	-	545.34
Escrow Trust	28,673.27	23,255.00	34,984.66	16,943.61
Fire Safety Trust	2,697.74	-	588.82	2,108.92
Kids Safe Program	57.00	-	-	57.00
Law Enforcement	2,304.60	9.23	-	2,313.83
Tax Sale Premium	30,000.00	25,300.00	10,000.00	45,300.00
Open Space Trust	281,818.18	115,760.38	102,973.50	294,605.06
P.O.A.A.	245.01	8.00	-	253.01
Public Defender	618.50	800.00	750.00	668.50
Recreation Trust	42,917.98	48,437.04	64,844.49	26,510.53
Recycling Trust	13,147.37	20,600.62	30,385.47	3,362.52
Snow Removal Rider	0.48	-	-	0.48
Third Party Employment - Police	11,576.82	56,378.99	54,073.84	13,881.97
Water/Sewer Escrow	4,050.00	-	-	4,050.00
	<u>\$ 502,815.40</u>	<u>\$ 348,837.65</u>	<u>\$ 329,548.44</u>	<u>\$ 522,104.61</u>

	<u>Reference</u>	B	1-B	B
Cash Receipts	1-B	\$ 336,318.81		
Due to Current Fund		<u>12,518.84</u>		
		<u>\$ 348,837.65</u>		
Cash Disbursements	1-B		\$ 315,838.44	
Due to Current Fund			<u>13,710.00</u>	
			<u>\$ 329,548.44</u>	

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

UNEMPLOYMENT COMPENSATION TRUST FUND

STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ 12,985.34
Decreased By:		
Cash Disbursements	1-B	<u>739.57</u>
Balance, December 31, 2013	B	<u><u>\$ 12,245.77</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

STATEMENT OF INVESTMENTS

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	B		\$ 236,365.34
Increased By:			
Borough Contributions	7-B	\$ 40,115.00	
Appreciation on Investments	7-B	<u>52,333.40</u>	
			<u>92,448.40</u>
			328,813.74
Decreased By:			
Withdrawals and Charges	7-B		<u>1,000.00</u>
Balance, December 31, 2013	B		<u>\$ 327,813.74</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

STATEMENT OF MISCELLANEOUS RESERVES

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	B		\$ 236,365.34
Increased By:			
Borough Contributions	6-B	\$ 40,115.00	
Appreciation on Investments	6-B	<u>52,333.40</u>	
			<u>92,448.40</u>
			328,813.74
Decreased By:			
Withdrawals and Charges	6-B		<u>1,000.00</u>
Balance, December 31, 2013	B		<u><u>\$ 327,813.74</u></u>

(THIS PAGE INTENTIONALLY LEFT BLANK)

GENERAL CAPITAL FUND
STATEMENTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF CASH - TREASURER

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	C		\$ 741,493.14
Increased By:			
Interfunds Received	1-C	\$ 5,000.00	
Capital Improvement Fund	8-C	<u>1,000.00</u>	
			<u>6,000.00</u>
			747,493.14
Decreased By:			
Improvement Authorizations	7-C		<u>41,218.30</u>
Balance, December 31, 2013	C		<u>\$ 706,274.84</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Year ended December 31, 2013

		Balance December 31, <u>2013</u>
Capital Improvement Fund		\$ 46,867.76
Fund Balance		17,919.25
Reserve for Encumbrances		23,935.00
Grant Receivable (Net)		(264,335.83)
Reserve for Debt Service		8,089.48
<u>Ordinance Number</u>	<u>Improvement Description</u>	
05-01	Purchase of Garbage Truck	3,004.91
14-03	Improvement To Ocean Road Park Tennis Court Lighting	8,266.23
03-04	Resurfacing of Pitney Drive and Woodcrest Drive	22,305.70
02-05	Safe Streets To School	(335.95)
02-05	Police Communication Equipment	(123.17)
08-05	Upgrade Computers and Software	710.77
15-05	Improvements To Tennis Courts	(598.62)
07-06	Reconstruction of Brighton Avenue/Pitney Drive	(6,268.19)
02-07	Improvement To St. Clair Avenue	(5,644.75)
15-07	Various Capital Improvements	21,205.49
10-08	Improvements To Beverly Avenue	(22,484.09)
15-10	Improvements To Park Avenue	(181,269.97)
9-11	Handicapped Accessible Improvements to Allaire Park Road	34,271.25
17-11	Various Capital Improvements and Acquisition of Various Equipment	564,253.37
9-12	Public Facility Improvements	7,990.00
10-12	Improvements to Ocean Rd/Allaire Rd Park	428,516.20
		<u>\$ 706,274.84</u>
	<u>Reference</u>	C,1-C

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	C	\$ 1,650,000.00
Decreased By:		
Bonds Paid	5-C	<u>85,000.00</u>
Balance, December 31, 2013	C	<u>\$ 1,565,000.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2013

Ordinance No.	Improvement Description	Balance December 31, 2013 and 2012	Analysis of Balance	
			Expenditures	Unexpended Improvement Authorizations
01-99	Reconstruction/Resurfacing of Old Mill Road	\$ 192.16	\$ -	\$ 192.16
03-04	Resurfacing of Pitney Drive and Woodcrest Drive	7,853.00	-	7,853.00
02-05	Safe Streets To School	15,925.86	335.95	15,589.91
02-05	Police Communication Equipment	1,000.00	123.17	876.83
15-05	Improvements To Tennis Courts	600.00	598.62	1.38
07-06	Reconstruction of Brighton Avenue/Pitney Drive	65,000.00	6,268.19	58,731.81
02-07	Improvement To St. Clair Avenue	57,000.00	5,644.75	51,355.25
15-07	Various Capital Improvements	7,567.00	-	7,567.00
10-08	Improvements To Beverly Avenue	74,488.92	22,484.09	52,004.83
15-10	Improvements To Park Avenue	187,500.00	181,269.97	6,230.03
17-11	Various Capital Improvements and Acquisition of Various Equipment	-	-	-
		500.00	-	500.00
		\$ 417,626.94	\$ 216,724.74	\$ 200,902.20

Reference C 2-C 7-C

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF GENERAL SERIAL BONDS

Year ended December 31, 2013

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2013</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>
General Improvements	12/29/11	\$ 1,740,000.00	12/1/14 \$ 90,000.00	4.00%			
			12/1/15 95,000.00	5.00%			
			12/1/16 100,000.00	5.00%			
			12/1/17 105,000.00	5.00%			
			12/1/18 110,000.00	5.00%			
			12/1/19 115,000.00	5.00%			
			12/1/20 120,000.00	5.00%			
			12/1/21 125,000.00	5.00%			
			12/1/22 130,000.00	4.00%			
			12/1/23 135,000.00	4.00%			
			12/1/24 145,000.00	3.00%			
			12/1/25 145,000.00	3.00%			
			12/1/26 150,000.00	3.00%			
					\$ 1,650,000.00	\$ 85,000.00	\$ 1,565,000.00
					<u>\$ 1,650,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ 1,565,000.00</u>
	<u>Reference</u>				C	3-C	C

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF GRANTS RECEIVABLE

Year ended December 31, 2013

Reference

Balance, December 31, 2013 and 2012	C	\$ 348,774.75
-------------------------------------	---	---------------

Analysis of Balance

I/A # 03-2004 New Jersey Department of Transportation	\$ 35,333.78
I/A # 07-2006 New Jersey Department of Transportation	16,037.85
I/A # 02-2007 New Jersey Department of Transportation	12,351.20
I/A # 10-2008 New Jersey Department of Transportation - 2008	46,938.92
I/A # 15-2010 New Jersey Department of Transportation - 2010	37,500.00
I/A # 09-2011 C.D.B.G. - 2011	12,613.00
I/A # 10-2012 New Jersey Department of Transportation - 2012	188,000.00
	<u>\$ 348,774.75</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2013

Ordinance Date	Improvement Description	Balance December 31, 2012		Transferred From Encumbrances	Expended	Transferred To Encumbrances	Balance December 31, 2013	
		Funded	Unfunded				Funded	Unfunded
01-99	Reconstruction/Resurfacing of Old Mill Road	\$ -	\$ 192.16	\$ -	\$ -	\$ -	\$ 192.16	
05-01	Purchase of Garbage Truck	3,004.91	-	-	-	-	3,004.91	
14-03	Improvement To Ocean Road Park Tennis Court Lighting	8,266.23	-	-	-	-	8,266.23	
03-04	Resurfacing of Pitney Drive and Woodcrest Drive	22,305.70	7,853.00	-	-	-	22,305.70	
02-05	Safe Streets To School	-	15,589.91	-	-	-	15,589.91	
02-05	Police Communication Equipment	-	876.83	-	-	-	876.83	
08-05	Upgrade Computers and Software	710.77	-	-	-	-	710.77	
15-05	Improvements To Tennis Courts	-	1.38	-	-	-	1.38	
07-06	Reconstruction of Brighton Avenue/Pitney Drive	-	58,731.81	-	-	-	58,731.81	
02-07	Improvement To St. Clair Avenue	-	51,355.25	-	-	-	51,355.25	
15-07	Various Capital Improvements	21,205.49	7,567.00	-	-	-	21,205.49	
10-08	Improvements To Beverly Avenue	-	52,004.83	-	-	-	52,004.83	
15-10	Improvements To Park Avenue	-	6,230.03	-	-	-	6,230.03	
09-11	Handicapped Accessible Improvements to Allaire Park Road	34,271.25	-	-	-	-	34,271.25	
17-11	Various Capital Improvements and Acquisition of Various Equipment	580,808.37	500.00	-	3,120.00	13,435.00	564,253.37	
9-12	Public Facility Improvements	13,704.50	-	11,100.00	16,814.50	-	7,990.00	
10-12	Improvements to Ocean Rd/Allaire Rd Park	447,800.00	-	2,000.00	21,283.80	-	428,516.20	
		<u>\$ 1,132,077.22</u>	<u>\$ 200,902.20</u>	<u>\$ 13,100.00</u>	<u>\$ 41,218.30</u>	<u>\$ 13,435.00</u>	<u>\$ 1,090,523.92</u>	
			C	C	1-C	C	C,4-C	

Reference

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	C	\$ 56,367.76
Increased By:		
Budget Appropriation	8-C	<u>1,000.00</u>
		57,367.76
Decreased By:		
Transferred To Encumbrances Payable	7-C	<u>10,500.00</u>
Balance, December 31, 2013	C	<u>\$ 46,867.76</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2013

Ordinance No.	<u>Improvement Description</u>	Balance December 31, <u>2013 and 2012</u>
01-99	Reconstruction/Resurfacing of Old Mill Road	\$ 192.16
03-04	Resurfacing of Pitney Drive and Woodcrest Drive	7,853.00
02-05	Safe Streets To School	15,925.86
02-05	Police Communication Equipment	1,000.00
15-05/09-06	Improvements To Tennis Courts	600.00
07-06	Reconstruction of Brighton Avenue/Pitney Drive	65,000.00
02-07	Improvement To St. Clair Avenue	57,000.00
15-07	Various Capital Improvements	7,567.00
10-08	Improvements To Beverly Avenue	74,488.92
15-10	Improvements To Park Avenue	187,500.00
17-11	Various Capital Improvements and Acquisition of Various Equipment	<u>500.00</u>
		<u>\$ 417,626.94</u>
	<u>Reference</u>	9-C

(THIS PAGE INTENTIONALLY LEFT BLANK)

WATER/SEWER UTILITY FUND
STATEMENTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

STATEMENT OF CASH - TREASURER

Year ended December 31, 2013

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	D	\$ 404,932.66	\$ 430,977.20
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	D-3	\$ 13,520.28	
Consumer Accounts Receivable	3-D	<u>2,329,442.57</u>	
		2,342,962.85	
Decreased By Disbursements:			
2013 Budget Appropriations	D-4	2,023,572.47	430,977.20
2012 Appropriation Reserves	6-D	187,726.78	
Accrued Interest	8-D	<u>2,776.67</u>	
		2,214,075.92	
Balance, December 31, 2013	D	<u>\$ 533,819.59</u>	<u>\$ 430,977.20</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF WATER/SEWER UTILITY CAPITAL CASH

Year ended December 31, 2012

		Balance December 31, <u>2013</u>
Capital Improvement Fund		\$ 322,285.62
Fund Balance		27,920.51
Reserve to Pay Debt Service		3,145.91
<u>Ordinance Number</u>	<u>Improvement Description</u>	
04-00	Various Improvements	176.04
02-06	Water Meter Upgrades	71,709.70
14-07	Utility Improvements	<u>5,739.42</u>
		<u>\$ 430,977.20</u>
<u>Reference</u>		1-D

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 125,029.93
Increased By:		
Water Sewer Rents Levied	3-D	<u>2,303,113.13</u>
		2,428,143.06
Decreased By:		
Collections	1-D	<u>2,329,442.57</u>
Balance, December 31, 2013	D	<u><u>\$ 98,700.49</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF FIXED CAPITAL

Year ended December 31, 2013

	Balance December 31, <u>2013 and 2012</u>
Water Division:	
Walls, Pumping Stations and Equipment	\$ 420,852.83
Distribution Mains and Accessories	156,422.80
Land	340.00
Engineering Fees	7,545.55
Interest During Construction	2,823.66
Legal and Accounting Fees	4,715.01
Miscellaneous	1,842.46
Water Towers, Pumps and Equipment	96,487.80
Construction of Well (Year 1978)	75,000.00
Construction of Storage Tank with Pumping Station (Year 1979)	300,000.00
Purchase and Installation of Pipes and Accessories	27,500.00
Improvement To Wells (Year 1986)	134,000.00
Improvement To Wells (Year 1990)	60,000.00
Improvement To Water Treatment Plant Old Mill Road (Year 1990)	231,328.42
Construction of Three Bay Garage and Various Improvements (Year 1994)	109,264.33
Construction of Sewer Mains	669,725.22
Construction of Force Mains	95,670.00
Construction of Sewer Plant	316,369.33
Land and Easements	28,829.00
Engineering Fees	60,840.65
Interest During Construction	52,268.81
Inspection Fees	20,342.31
Legal and Accounting Fees	15,818.00
Other Costs	3,401.27
Equipment	5,000.00
Rehabilitation of Water Storage Tanks	180,000.00
Hydrant Replacement/Repair	4,629.00
Water Service Installation/Maintenance	1,892.11
	\$ 3,082,908.56

Reference

D

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2013

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2013 and 2012</u>
04-00	Various Improvements	\$ 375,000.00
02-06/04-11	Water Meter Upgrades-	
	Acquisition of Equipment	805,125.00
14-07/11-11	Utility Improvements	<u>54,500.00</u>
		<u>\$ 1,234,625.00</u>

Reference D

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

STATEMENT OF APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries & Wages	\$ 33,711.90	\$ 33,111.90	\$ 12,855.59	\$ 20,256.31
Other Expenses	64,615.17	72,580.62	11,163.69	61,416.93
NJSWA Raw Water Charge	12,192.64	12,192.64	-	12,192.64
NJSWA Treat/Trans Charge	190,643.36	190,643.36	163,118.88	27,524.48
South Monmouth Regional Sewer Authority	25,256.86	25,256.86	-	25,256.86
Wall Twp. Sewer Charges	3,165.69	3,165.69	-	3,165.69
Statutory Expenditures:				
Contributions To:				
Social Security System (O.A.S.I.)	-	600.00	588.62	11.38
Unemployment Insurance	<u>1,000.00</u>	<u>1,000.00</u>	<u>-</u>	<u>1,000.00</u>
	<u>\$ 330,585.62</u>	<u>\$ 338,551.07</u>	<u>\$ 187,726.78</u>	<u>\$ 150,824.29</u>
	<u>Reference</u>			
	D		1-D	D-1
Appropriation Reserves	D	\$ 330,585.62		
Encumbrances Payable	7-D	<u>7,965.45</u>		
		<u>\$ 338,551.07</u>		

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF ENCUMBRANCES PAYABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 7,965.45
Increased By:		
Charged To Budget Appropriations	D-4	<u>52,369.03</u>
		60,334.48
Decreased By:		
Transferred To Appropriation Reserves	6-D	<u>7,965.45</u>
Balance, December 31, 2013	D	<u><u>\$ 52,369.03</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 2,776.67
Increased By:		
Accrued for Year Ended December 31, 2013	D-4	<u>33,583.32</u>
		36,359.99
Decreased By:		
Payment of December 31, 2011 Accrued	8-D	<u>34,176.66</u>
Balance, December 31, 2013	D	<u>\$ 2,183.33</u>

Analysis of Balance - December 31, 2013

	<u>Outstanding December 31, 2013</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:	\$ 535,000.00	Various	12/01/13	12/31/13	30 days	<u>\$ 2,183.33</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2013

Ordinance Number	Description	Ordinance Amount	Balance December 31, 2013 and 2012	
			Funded	Unfunded
04-00	Various Improvements	\$ 375,000.00	\$ 176.04	\$ 26,250.00
02-06/04-11	Water Meter Upgrades- Acquisition of Equipment	805,125.00	71,709.70	-
14-07/11-11	Utility Improvements	54,500.00	5,739.42	633.05
			\$ 77,625.16	\$ 26,883.05

Reference

D D

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2013 and 2012	D	<u>\$ 322,285.62</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF RESERVE FOR AMORTIZATION

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 3,314,908.56
Increased By:		
Serial Bond Payment	13-D	<u>178,000.00</u>
Balance, December 31, 2013	D	<u>\$ 3,492,908.56</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION

Year ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance December 31, 2013 and 2012</u>
04-00	Various Improvements	12/11/00	\$ 22,740.00
02-06/04-11	Water Meter Upgrades- Acquisition of Equipment	02/27/06	193,075.00
14-07/11-11	Utility Improvements	12/17/07	<u>46,926.95</u>
			<u>\$ 262,741.95</u>
		<u>Reference</u>	D

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF SERIAL BONDS

Year ended December 31, 2013

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2013</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>	
Serial Bonds	12/18/03	\$ 470,000.00			\$ 123,000.00	\$ 123,000.00	\$ -	
Serial Bonds	12/1/11	645,000.00	\$ 55,000.00	4.00%	590,000.00	55,000.00	535,000.00	
			480,000.00	5.00%	\$ 713,000.00	\$ 178,000.00	\$ 535,000.00	
					D	11-D	D	D

Reference

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2013

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2013 and 2012</u>
04-00	Various Improvements	\$ 26,250.00
14-07	Utility Improvements	<u>633.05</u>
		<u>\$ 26,883.05</u>
	<u>Reference</u>	14-D

PUBLIC ASSISTANCE FUND

STATEMENTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MOMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

STATEMENT OF CASH - TREASURER

Year ended December 31, 2013

	<u>Reference</u>	P.A.T.F. Account I <u>(75%)</u>	P.A.T.F. Account II <u>(100%)</u>	<u>Total</u>
Balance, December 31, 2012	E	\$ 5,000.00	\$ 11,135.03	\$ 16,135.03
Increased By:				
State Aid for Public Assistance	E-1,3-E	-	48,000.00	48,000.00
Social Security Reimbursement	E-1,3-E	-	741.25	741.25
Funds Transferred Within PATF	E-1,3-E	-	1,500.00	1,500.00
Due To Current Fund	4-E	-	57.57	57.57
		<u>-</u>	<u>50,298.82</u>	<u>50,298.82</u>
		<u>5,000.00</u>	<u>61,433.85</u>	<u>66,433.85</u>
Decreased By:				
Maintenance Payments	E-2,3-E	-	40,182.12	40,182.12
Interfunds Returned	E-2,3-E	-	113.56	113.56
Funds Transferred Within PATF	4-E	1,500.00	-	1,500.00
		<u>1,500.00</u>	<u>40,295.68</u>	<u>41,795.68</u>
Balance, December 31, 2013	E	\$ 3,500.00	\$ 21,138.17	\$ 24,638.17

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

STATEMENT OF CASH AND RECONCILIATION PER N.J.S.A. 40A:5-5

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	1-E		\$ 16,135.03
Increased By:			
SSI	2-E	\$ 741.25	
State Aid		48,000.00	
Interest Income	2-E	<u>57.57</u>	
			<u>48,798.82</u>
			64,933.85
Decreased By:			
Cash Disbursements	2-E		<u>40,295.68</u>
Balance, December 31, 2013	2-E		<u><u>\$ 24,638.17</u></u>
	P.A.T.F. Account I <u>(75%)</u>	P.A.T.F. Account II <u>(100%)</u>	Fund <u>Total</u>
Balance on Deposit Per Statement of Central Jersey Bank:			
Account # 100058478	\$ -	\$ 21,138.17	\$ 21,138.17
Account # 100058452	<u>3,500.00</u>	<u>-</u>	<u>3,500.00</u>
Balance, December 31, 2013	<u><u>\$ 3,500.00</u></u>	<u><u>\$ 21,138.17</u></u>	<u><u>\$ 24,638.17</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

STATEMENT OF RESERVE FOR EXPENDITURES

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	E	\$ 16,021.47
Increased By:		
General Assistance	1-E	<u>48,741.25</u>
		64,762.72
Decreased By:		
Maintenance Payments	1-E	<u>40,182.12</u>
Balance, December 31, 2013	E	<u><u>\$ 24,580.60</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

STATEMENT OF DUE TO CURRENT FUND

Year ended December 31, 2013

	<u>Reference</u>	P.A.T.F. Account II <u>(100%)</u>	<u>Total</u>
Balance, December 31, 2012	E	\$ 113.56	\$ 113.56
Increased By:			
Interest Income	1-E	<u>57.57</u>	<u>57.57</u>
		171.13	171.13
Decreased By:			
Cash Disbursements	E-1	<u>113.56</u>	<u>113.56</u>
Balance, December 31, 2013	E	<u>\$ 57.57</u>	<u>\$ 57.57</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF LAND

Year ended December 31, 2013

Reference

Balance, December 31, 2013 and 2012

F

\$ 3,107,300.00

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF BUILDINGS AND IMPROVEMENTS

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2013 and 2012	F	<u>\$ 495,500.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF MACHINERY, EQUIPMENT AND VEHICLES

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	F	\$ 2,285,030.46
Increased By:		
Additions	F-1	<u>26,750.00</u>
Balance, December 31, 2013	F	<u>\$ 2,311,780.46</u>

(THIS PAGE INTENTIONALLY LEFT BLANK)

COMMENTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2013

An audit of the financial accounts and transactions of the Borough of Spring Lake Heights, County of Monmouth, New Jersey ("Borough") for the year ended December 31, 2013, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Tax Collector/Treasurer, the activities of the Mayor and Borough Council and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

Revenues and receipts were verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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 (40A:11-3), 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 a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder".

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2013

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

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

There were no bids in 2013

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles", other than where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6. The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "professional services" per N.J.S. 40A:11-5.

Collection of Interest on Delinquent Taxes and Utility Assessments

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

WHEREAS, real estate taxes are payable on February 1, May 1, August 1 and November 1 of each year, and other assessments are due and payable on dates set forth on the statements assessing said charges; and

WHEREAS, N.J.S.A. 54:67 provides for the fixing rates of interest on delinquent taxes;

NOW, THEREFORE, BE IT RESOLVED that all taxes and assessments are and shall be due on the date stated and, if not paid by said date same shall become delinquent.

The Borough Collector shall collect interest on taxes at the maximum legally allowable rate of 8% under \$1,500.00 and 18% for \$1,500.00 and over, including the provision for an additional 6% for accounts of \$10,000.00 or more. The Collector's ruling of legally allowable amounts shall rule in all instances of all balances delinquent. The provisions for a "grace period" of 10 days for taxes and 30 days for water and sewer shall be computed from the due date printed on the bill to and including the date of actual payment.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2013

Tax Sale

The last tax sale was held on December 13, 2013 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2013	5
2012	9
2011	0

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2013

Officials in Office and Surety Bonds

<u>Name of Official</u>	<u>Title</u>
Gavino Maccanico	Mayor
Sara King	Council President
James Shuler	Council Person
Richard N. Diver	Council Person
Patricia N. Cindea	Council Person
Thomas Vorbach	Council Person
Christopher Tienken	Council Person
Thomas X. Seaman	Chief Financial Officer & Tax Collector/Utility Collector effective 10-01-13
Mary Grace Neuhaus	Tax Collector/Utility Collector through 09-30-13
Joseph J. Delaney Jr	Borough Administrator, Municipal Clerk
Janine Gillis	Deputy Municipal Clerk
George Pappas	Magistrate
Frederick Raffetto	Borough Attorney

During 2013, the Borough of Spring Lake Heights was provided insurance by Middlesex County Joint Insurance Fund. The Government Crime Policy coverage is as follows:

Employee Theft - Per Loss Coverage	\$ 1,000,000.00
Forgery or Alteration	1,000,000.00
Inside the Premises - Theft of Money and Securities	100,000.00
Inside the Premises - Robbery or Safe Burglary of Other Property	100,000.00
Outside the Premises - Computer Fraud	1,000,000.00
Funds Transfer Fraud	1,000,000.00

COMMENTS AND RECOMMENDATIONS

(THIS PAGE INTENTIONALLY LEFT BLANK)

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2013

Finding 2013-01:

During our audit of the Borough's financial statements, we noted that the Current Fund Comparative Statements of Operations and Changes in Fund Balance was incorrectly prepared resulting in a misclassification of expenditures.

We recommend that care be taken when the preparing the financial statements.

Finding 2013-02:

During our audit of the Borough's Interfunds, we noted that Interfunds existed at 12/31/2013.*

In order to improve controls over the Borough's Interfunds, we recommend that Interfunds should be cleared by the end of the year.

Finding 2013-03:

During our audit of the Borough's Payroll Trust Fund, the Borough was unable to produce records describing the purpose for the funds held there at year end.*

In order to ensure this trust fund is operating as intended it is recommended that the Borough maintain a record of the purpose for the funds held within the trust fund.

Finding 2013-04:

During our audit of the Borough's records it was noted tax title liens balance and miscellaneous revenue not anticipated in the general ledger did not agree to the supporting records.

In order to improve controls over the Borough's financial records, it is recommended that the balances in the general ledger be in agreement with underlying records.

* - Repeat comment.

