

**BOROUGH OF DEAL**

**COUNTY OF MONMOUTH**

**NEW JERSEY**

**REPORT OF AUDIT**

**YEARS ENDED DECEMBER 31, 2016 AND 2015**

# **BOROUGH OF DEAL, NJ**

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**BOROUGH OF DEAL, NJ**

**COUNTY OF MONMOUTH**

**PART I**

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PCPS of the AICPA Division of CPA Firms

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Commissioners  
Borough of Deal  
Deal, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds of the Borough of Deal, State of New Jersey, as of December 31, 2016 and 2015, the related statement of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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 described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Deal, State of New Jersey on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Deal, State of New Jersey as of December 31, 2016 and 2015, or changes in the financial position for the years then ended.

### **Basis for Qualified Opinion on Regulatory Basis Accounting Principles**

We are unable to obtain sufficient evidence to support the cost of fixed assets. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. We are, therefore, unable to express an opinion as to the general fixed assets account group at December 31, 2016 and 2015, stated as \$121,429,401.00 and \$114,302,651.00.

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

In our opinion, except for the effects of the matter described in “Basis for Qualified Opinion on Regulatory Basis Accounting Principles” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets as of December 31, 2016 and 2015, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Other Matters**

#### *Other Information*

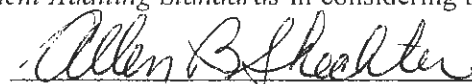
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Deal’s basic financial statements. The supplementary information listed in the table of contents and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2017 on our consideration of the Borough of Deal’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Deal’s internal control over financial reporting and compliance.



Allen B. Shechter, R.M.A. #509  
ALVINO & SHECHTER, L.L.C.  
Certified Public Accountants

|                     |
|---------------------|
| <b>CURRENT FUND</b> |
|---------------------|



**Borough of Deal, NJ**  
**Current Fund**  
**Comparative Balance Sheet - Regulatory Basis**  
**As of December 31, 2016 and 2015**

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|  | <u>Ref.</u> | <u>2016</u>                  | <u>2015</u>                |
|--|-------------|------------------------------|----------------------------|
| <b><u>Assets</u></b>                         |             |                              |                            |
| Cash and Investments                         | A-4         | 4,907,279.35                 | 3,662,701.05               |
| Change and Petty Cash Fund                   | A-6         | 250.00                       | 250.00                     |
| Notes Receivable - General Capital Fund      | C-7         | 1,397,736.30                 | 1,104,447.68               |
| Due from State of New Jersey                 | A           | .00                          | 33,635.07                  |
|  |             | <u>6,305,265.65</u>          | <u>4,801,033.80</u>        |
| <b><u>Receivables With Full Reserves</u></b> |             |                              |                            |
| Delinquent Property Taxes Receivable         | A-8         | 351,834.05                   | 252,210.49                 |
| Tax Title Liens Receivable                   | A-8         | 240.46                       | .00                        |
| Revenue Accounts Receivable                  | A-11        | 19,543.81                    | 15,739.65                  |
| Due from Sewer Operating Fund                | D-30:A-24   | 74,000.00                    | .00                        |
|  |             | <u>445,618.32</u>            | <u>267,950.14</u>          |
| <b><u>Deferred Charges</u></b>               |             |                              |                            |
| Overexpenditure of Appropriation Reserves    | A-3:A-12    | .00                          | 15,213.70                  |
| <b><u>Federal and State Grants</u></b>       |             |                              |                            |
| Due from Current Fund                        | A-27        | 66,971.31                    | 57,716.00                  |
| Grants Receivable                            | A-28        | .00                          | 60,376.00                  |
|  |             | <u>66,971.31</u>             | <u>118,092.00</u>          |
| <b><u>Total Assets</u></b>                   |             | <b><u>\$6,817,855.28</u></b> | <b><u>5,202,289.64</u></b> |

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

**Borough of Deal, NJ**  
**Current Fund**  
**Comparative Balance Sheet - Regulatory Basis**  
**As of December 31, 2016 and 2015**

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|  | <u>Ref.</u> | <u>2016</u>           | <u>2015</u>         |
|--|-------------|-----------------------|---------------------|
| <b><u>Liabilities, Reserves and Fund Balance</u></b>       |             |                       |                     |
| <b><u>Liabilities</u></b>                                  |             |                       |                     |
| Appropriation Reserves                                     | A-3:A-13    | 1,155,789.06          | 669,773.97          |
| Reserve for Encumbrances                                   | A-3:A-13    | .00                   | .00                 |
| Contracts Payable  | A           | 18,881.89             | 18,881.89           |
| Due to Sewer Operating Fund                                | D:D-30      | .00                   | 25,003.93           |
| Easement Escrow Agreement - Blk. #14, Lot #16              | A           | 15,000.00             | 15,000.00           |
| County Taxes Payable                                       | A-18        | 54,027.41             | 3,432.52            |
| Prepaid Taxes  | A-25        | 684,121.64            | 676,771.62          |
| Prepaid Beach Revenues                                     | A-26        | 292,225.00            | 258,113.00          |
| Tax Overpayments   | A-14        | 46,441.78             | 58,351.69           |
| Due to State of N.J. - Senior Citizens and Veterans        | A-7         | 1,750.00              | 1,750.00            |
| Local District School Taxes Payable                        | A-19        | 752,618.46            | 752,618.46          |
| Due to Federal and State Grant Fund                        | A-27        | 66,971.31             | 57,716.00           |
| Reserve to Pay Debt Proceeds - Ordn. #1070/1074            | A:A-2       | .00                   | 71,792.00           |
|  |             | 3,087,826.55          | 2,609,205.08        |
| <b>Reserve for Receivables</b>                             | A           | 445,618.32            | 267,950.14          |
| <b>Fund Balance</b>  | A-1         | 3,217,439.10          | 2,207,042.42        |
|  |             | <u>6,750,883.97</u>   | <u>5,084,197.64</u> |
| <b><u>Federal and State Grant Fund</u></b>                 |             |                       |                     |
| Appropriated Reserves for Grants                           | A-29        | 49,078.03             | 106,865.95          |
| Unappropriated Reserves                                    | A-30        | 17,893.28             | 11,226.05           |
|  |             | <u>66,971.31</u>      | <u>118,092.00</u>   |
| <b><u>Total Liabilities, Reserves and Fund Balance</u></b> |             | <u>\$6,817,855.28</u> | <u>5,202,289.64</u> |

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

**Borough of Deal, NJ**  
**Current Fund**  
**Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis**      **A-1**  
**For the Years Ended December 31, 2016 and 2015**

|   | <u>Ref.</u> | <u>2016</u>            | <u>2015</u>          |
|---|-------------|------------------------|----------------------|
| <b><u>Revenue and Other Income</u></b>                  |             |                        |                      |
| Fund Balance Utilized                                   | A-1         | 820,000.00             | 820,000.00           |
| Miscellaneous Revenue Anticipated                       | A-2         | 4,083,177.93           | 3,782,590.79         |
| Receipts from Delinquent Taxes                          | A-2         | 277,692.61             | 309,225.52           |
| Receipts from Current Taxes                             | A-2         | 13,646,818.56          | 13,817,173.96        |
| Non-Budget Revenue                                      | A-2:A-1     | 692,244.23             | 239,934.07           |
| Other Credits to Income                                 |             |                        |                      |
| Unexpended Balance of Appropriation Reserves            | A-13        | 411,401.60             | 449,005.37           |
| Interfund Receivables Realized:                         |             |                        |                      |
| Sewer Operating Fund                                    | A-1         | .00                    | 178,225.60           |
| Dog License Fund  | A-1         | .00                    | 150.20               |
| Prior Year Revenue                                      | A-1         | .00                    | 14.30                |
| <b><u>Total Income</u></b>                              |             | <u>19,931,334.93</u>   | <u>19,596,319.81</u> |
| <b><u>Expenditures</u></b>                              |             |                        |                      |
| Budget and Emergency Appropriations                     |             |                        |                      |
| Operations  |             |                        |                      |
| Salaries and Wages                                      | A-3         | 3,666,752.00           | 3,557,802.00         |
| Other Expenses  | A-3         | 3,948,263.36           | 3,723,961.01         |
| Capital Improvements                                    | A-3         | 200,000.00             | 250,000.00           |
| Municipal Debt Service                                  | A-3         | 1,196,591.00           | 1,211,000.00         |
| Deferred Charges and Statutory Expenditures             | A-3         | 860,298.70             | 1,206,911.29         |
| County Taxes  | A-18        | 6,128,233.23           | 6,334,054.10         |
| County Share of Added and Omitted Taxes                 | A-18        | 37,547.33              | 3,432.52             |
| Local District School Taxes                             | A-19        | 1,967,702.00           | 1,967,702.00         |
| Cancellation of Assistance to Firefighters Grant        | A-1:A-28    | 2,875.00               | .00                  |
| Due to County Added/Omitted Assessments                 | A-1:A-18    | 16,480.08              | .00                  |
| Refunds of Prior Year Taxes                             | A-1         | 2,195.55               | 34,670.90            |
| Refund of Prior Year Revenue                            | A-1         | .00                    | 9,830.17             |
| Interfund Advanced - Sewer Operating Fund               | D-30        | 74,000.00              | .00                  |
| <b><u>Total Expenditures</u></b>                        |             | <u>18,100,938.25</u>   | <u>18,299,363.99</u> |
| <b><u>Excess (Deficit) in Revenue</u></b>               |             | 1,830,396.68           | 1,296,955.82         |
| <b><u>Adjustments to Income Before Fund Balance</u></b> |             |                        |                      |
| Expenditures Included Above Which Are by Statute        |             |                        |                      |
| Deferred Charges to Budget of Succeeding Years          | A-1         | .00                    | .00                  |
| <b><u>Statutory Excess in Revenue</u></b>               |             | 1,830,396.68           | 1,296,955.82         |
| <b><u>Fund Balance</u></b>                              |             |                        |                      |
| Balance - January 1                                     | A:A-1       | <u>2,207,042.42</u>    | <u>1,730,086.60</u>  |
|   |             | 4,037,439.10           | 3,027,042.42         |
| <b><u>Decreased by</u></b>                              |             |                        |                      |
| Utilized as Anticipated Revenue                         | A-1         | <u>820,000.00</u>      | <u>820,000.00</u>    |
| <b><u>Fund Balance - December 31</u></b>                | A           | <u>\$ 3,217,439.10</u> | <u>2,207,042.42</u>  |

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

**Borough of Deal, NJ**  
**Current Fund**  
**Statement of Revenues - Regulatory Basis**  
**For the Year Ended December 31, 2016**

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|  | <u>Ref.</u> | <u>Budget</u>          | <u>N.J.S.<br/>40A:4-87</u> | <u>Realized</u>      | <u>Excess or<br/>Deficit *</u> |
|--|-------------|------------------------|----------------------------|----------------------|--------------------------------|
| <b><u>Fund Balance Appropriated</u></b>  | A-1         | <u>820,000.00</u>      | <u>.00</u>                 | <u>820,000.00</u>    | <u>.00</u>                     |
| <b><u>Miscellaneous Revenues</u></b>   |             |                        |                            |                      |                                |
| Licenses   |             |                        |                            |                      |                                |
| Alcoholic Beverages  | A-11        | 4,750.00               | .00                        | 5,186.00             | 436.00                         |
| Other  | A-11        | 5,000.00               | .00                        | 5,822.00             | 822.00                         |
| Fees and Permits   |             |                        |                            |                      |                                |
| Uniform Construction Code  | A-11        | 130,000.00             | .00                        | 216,129.00           | 86,129.00                      |
| Other  | A-11        | 6,000.00               | .00                        | 10,474.00            | 4,474.00                       |
| Fines - Municipal Court  | A-11        | 160,000.00             | .00                        | 202,495.41           | 42,495.41                      |
| Interest and Costs on Taxes  | A-4         | 78,000.00              | .00                        | 58,849.91            | 19,150.09*                     |
| Energy Receipts Tax  | A-11        | 455,315.00             | .00                        | 455,315.00           | .00                            |
| Interest on Investments and Deposits   | A-11        | 7,500.00               | .00                        | 14,801.21            | 7,301.21                       |
| Beach Revenues   | A-11        | 1,600,000.00           | .00                        | 2,174,055.08         | 574,055.08                     |
| Shared Police Services - Borough of Interlaken                                   | A-4         | 576,568.00             | .00                        | 576,567.96           | .04*                           |
| Shared Police Services-Village of Loch Arbour                                    | A-4         | 153,841.00             | .00                        | 153,841.00           | .00                            |
| Shared Municipal Court Services - Village of<br>Loch Arbour                      | A-4         | 8,979.00               | .00                        | 8,979.00             | .00                            |
| Shard Public Work Services - Village of Loch<br>Arbour                           | A-4         | 114,856.00             | .00                        | 114,856.00           | .00                            |
| Reserve for Clean Communities Program  | A-28        | 7,127.32               | .00                        | 7,127.32             | .00                            |
| Reserve for Municipal Court Alcohol,<br>Education & Rehabilitation Fund          | A-28        | 2,167.43               | .00                        | 2,167.43             | .00                            |
| Reserve for Body Armor Fund  | A-28        | 1,931.30               | .00                        | 1,931.30             | .00                            |
| Reserve for Recycling Tonnage Grant  | A-28        | 2,788.31               | .00                        | 2,788.31             | .00                            |
| Reserve to Pay Debt Proceeds -<br>Ordn. #1070/1074                               | A           | <u>71,792.00</u>       | <u>.00</u>                 | <u>71,792.00</u>     | <u>.00</u>                     |
| <b><u>Total Miscellaneous Revenue</u></b>  |             | <u>3,386,615.36</u>    | <u>.00</u>                 | <u>4,083,177.93</u>  | <u>696,562.57</u>              |
| <b><u>Receipts From Delinquent Taxes</u></b>                                     | A-1         | <u>250,000.00</u>      | <u>.00</u>                 | <u>277,692.61</u>    | <u>27,692.61</u>               |
| <b><u>Amount to be Raised by Taxes for<br/>Support of Municipal Budget -</u></b> |             |                        |                            |                      |                                |
| Local Tax for Municipal Purposes   | A-2         | <u>5,838,223.50</u>    | <u>.00</u>                 | <u>5,935,360.80</u>  | <u>97,137.30</u>               |
| <b><u>Budget Totals</u></b>  | A-3         | 10,294,838.86          | .00                        | 11,116,231.34        | 821,392.48                     |
| <b><u>Non-Budget Revenue</u></b>   | A-1:A-2     | <u>.00</u>             | <u>.00</u>                 | <u>692,244.23</u>    | <u>692,244.23</u>              |
|  |             | <u>\$10,294,838.86</u> | <u>.00</u>                 | <u>11,808,475.57</u> | <u>1,513,636.71</u>            |
|  | <u>Ref.</u> | A-3                    |                            |                      |                                |

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

**Borough of Deal, NJ**  
**Current Fund**  
**Statement of Revenues - Regulatory Basis**  
**For the Year Ended December 31, 2016**  
**Analysis of Realized Income**

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|   | <u>Ref.</u> |                        |
|---|-------------|------------------------|
| <b><u>Allocation of Current Tax Collections</u></b>     |             |                        |
| Revenue from Collections                                | A-1:A-8     | 13,646,818.56          |
| Allocated to School and County Taxes                    | A-8         | <u>8,133,482.56</u>    |
| Support of Municipal Budget Appropriations              |             | 5,513,336.00           |
| Add Appropriation Reserve for Uncollected Taxes         | A-3         | <u>422,024.80</u>      |
| Realized for Support of Municipal Budget Appropriations | A-2         | <u>\$ 5,935,360.80</u> |

**Analysis of Non-Budget Revenue**

|   |                     |
|---|---------------------|
| Senior Citizens & Veterans Administrative Fee                       | 180.00              |
| Street Opening Deposits   | 2,950.00            |
| Monmouth County JIF Insurance Dividend                              | 20,851.90           |
| NJ DMV Inspection Fees  | 1,750.00            |
| Workmens Compensation Insurance Reimbursement                       | 1,572.45            |
| Police Overtime - Borough Share                                     | 14,425.00           |
| Fire Safety Rebates   | 2,475.85            |
| Recycling   | 7,428.34            |
| Polling Place Rent  | 400.00              |
| Parking Lot Rental Fee  | 1,000.00            |
| Public Works - Village of Loch Arbour                               | 14,760.25           |
| Police Discoveries & Reports  | 913.29              |
| NSF Fees Collected  | 260.00              |
| Street Sweeping Reimbursement - Ocean Avenue                        | 1,600.00            |
| Cell Tower Rentals  | 85,326.84           |
| Credit Card Revenue   | 7,926.82            |
| Utility Overage Refunds   | 220.95              |
| Homestead Rebate Administrative Fee                                 | 35.40               |
| Copy Charges - Clerk's Office                                       | 22.10               |
| Car Dealership Refunds  | 356.85              |
| NJDEP Marine Lands Permit Refund                                    | 3,000.00            |
| FEMA Storm Aid - Sandy  | 478,092.74          |
| State of NJ Refund Interest Earned                                  | 2,326.05            |
| Miscellaneous Revenues & Refunds                                    | 555.79              |
| Dog License Fees  | 138.00              |
| Uniform Construction Code Fees and Permits - Village of Loch Arbour | 34,051.00           |
| Revenue Accounts Receivable   |                     |
| Cable TV Fees   | A-11                |
|   | <u>9,624.61</u>     |
|   | <u>\$692,244.23</u> |

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

Borough of Deal, N.J  
Current Fund  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2016

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|   | Appropriations    |                              | Expended           |            |                   | Unexpended           |              |
|---|-------------------|------------------------------|--------------------|------------|-------------------|----------------------|--------------|
|   | Budget            | Budget After<br>Modification | Paid or<br>Charged | Encumbered | Reserved          | Balance<br>Cancelled | Overexpended |
| <b><u>GENERAL GOVERNMENT FUNCTIONS</u></b>                |                   |                              |                    |            |                   |                      |              |
| Administrative and Executive                              |                   |                              |                    |            |                   |                      |              |
| Salaries and Wages  | 240,000.00        | 240,000.00                   | 208,931.06         | .00        | 31,068.94         | .00                  | .00          |
| Other Expenses  | 88,780.00         | 88,780.00                    | 74,880.71          | .00        | 13,899.29         | .00                  | .00          |
| Human Resources   |                   |                              |                    |            |                   |                      |              |
| Other Expenses  | 5,000.00          | 5,000.00                     | .00                | .00        | 5,000.00          | .00                  | .00          |
| Director's Office - Public Affairs and Public Safety      |                   |                              |                    |            |                   |                      |              |
| Salaries and Wages  | 3,000.00          | 3,000.00                     | 3,000.00           | .00        | .00               | .00                  | .00          |
| Other Expenses  | 1,400.00          | 1,400.00                     | 295.00             | .00        | 1,105.00          | .00                  | .00          |
| Director's Office - Revenue and Finance                   |                   |                              |                    |            |                   |                      |              |
| Salaries and Wages  | 2,501.00          | 2,501.00                     | 2,500.08           | .00        | .92               | .00                  | .00          |
| Other Expenses  | 500.00            | 500.00                       | .00                | .00        | 500.00            | .00                  | .00          |
| Director's Office - Public Works, Parks & Public Property |                   |                              |                    |            |                   |                      |              |
| Salaries and Wages  | 2,501.00          | 2,501.00                     | 2,500.07           | .00        | .93               | .00                  | .00          |
| Other Expenses  | 500.00            | 500.00                       | .00                | .00        | 500.00            | .00                  | .00          |
| Municipal Clerk   |                   |                              |                    |            |                   |                      |              |
| Other Expenses  | 5,000.00          | 5,000.00                     | 708.00             | .00        | 4,292.00          | .00                  | .00          |
| Elections   |                   |                              |                    |            |                   |                      |              |
| Other Expenses  | 14,700.00         | 14,700.00                    | 6,091.53           | .00        | 8,608.47          | .00                  | .00          |
| Financial Administration                                  |                   |                              |                    |            |                   |                      |              |
| Salaries and Wages  | 8,700.00          | 8,700.00                     | 8,678.24           | .00        | 21.76             | .00                  | .00          |
| Other Expenses  | 800.00            | 800.00                       | .00                | .00        | 800.00            | .00                  | .00          |
| Audit Services  |                   |                              |                    |            |                   |                      |              |
| Other Expenses  | 55,000.00         | 55,000.00                    | 49,635.00          | .00        | 5,365.00          | .00                  | .00          |
| Collection of Taxes                                       |                   |                              |                    |            |                   |                      |              |
| Salaries and Wages  | 31,000.00         | 31,000.00                    | 30,866.69          | .00        | 133.31            | .00                  | .00          |
| Other Expenses  | 10,425.00         | 10,425.00                    | 7,564.18           | .00        | 2,860.82          | .00                  | .00          |
| Assessment of Taxes                                       |                   |                              |                    |            |                   |                      |              |
| Salaries and Wages  | 17,000.00         | 17,000.00                    | 16,646.40          | .00        | 353.60            | .00                  | .00          |
| Other Expenses  | 41,400.00         | 41,400.00                    | 36,961.50          | .00        | 4,438.50          | .00                  | .00          |
| Legal Services and Costs                                  |                   |                              |                    |            |                   |                      |              |
| Other Expenses  | 78,600.00         | 78,600.00                    | 26,559.12          | .00        | 52,040.88         | .00                  | .00          |
| Engineering Services and Costs                            |                   |                              |                    |            |                   |                      |              |
| Other Expenses  | <u>20,000.00</u>  | <u>20,000.00</u>             | <u>4,958.00</u>    | <u>.00</u> | <u>15,042.00</u>  | <u>.00</u>           | <u>.00</u>   |
|   | <u>626,807.00</u> | <u>626,807.00</u>            | <u>480,775.58</u>  | <u>.00</u> | <u>146,031.42</u> | <u>.00</u>           | <u>.00</u>   |

Borough of Deal, NJ  
Current Fund  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2016

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|                                      | Appropriations      |                              | Expended            |            |                   | Unexpended           |              |
|--------------------------------------|---------------------|------------------------------|---------------------|------------|-------------------|----------------------|--------------|
|                                      | Budget              | Budget After<br>Modification | Paid or<br>Charged  | Encumbered | Reserved          | Balance<br>Cancelled | Overexpended |
| <b>LAND USE ADMINISTRATION</b>       |                     |                              |                     |            |                   |                      |              |
| Planning Board                       |                     |                              |                     |            |                   |                      |              |
| Salaries and Wages                   | 35,000.00           | 35,000.00                    | 34,102.46           | .00        | 897.54            | .00                  | .00          |
| Other Expenses                       | 9,200.00            | 9,200.00                     | 6,695.64            | .00        | 2,504.36          | .00                  | .00          |
| Zoning Board                         |                     |                              |                     |            |                   |                      |              |
| Salaries and Wages                   | 27,000.00           | 27,000.00                    | 25,958.40           | .00        | 1,041.60          | .00                  | .00          |
| Other Expenses                       | 4,600.00            | 4,600.00                     | 894.58              | .00        | 3,705.42          | .00                  | .00          |
|                                      | <u>75,800.00</u>    | <u>75,800.00</u>             | <u>67,651.08</u>    | <u>.00</u> | <u>8,148.92</u>   | <u>.00</u>           | <u>.00</u>   |
| <b>INSURANCE</b>                     |                     |                              |                     |            |                   |                      |              |
| General Liability                    | 117,000.00          | 117,000.00                   | 114,646.03          | .00        | 2,353.97          | .00                  | .00          |
| Workers Compensation                 | 153,000.00          | 153,000.00                   | 136,646.03          | .00        | 16,353.97         | .00                  | .00          |
| Employee Group Health                | 1,062,990.00        | 1,062,990.00                 | 848,037.97          | .00        | 214,952.03        | .00                  | .00          |
| Health Benefit Waiver                | 10,000.00           | 10,000.00                    | 9,788.56            | .00        | 211.44            | .00                  | .00          |
|                                      | <u>1,342,990.00</u> | <u>1,342,990.00</u>          | <u>1,109,118.59</u> | <u>.00</u> | <u>233,871.41</u> | <u>.00</u>           | <u>.00</u>   |
| <b>PUBLIC SAFETY FUNCTIONS</b>       |                     |                              |                     |            |                   |                      |              |
| Police                               |                     |                              |                     |            |                   |                      |              |
| Salaries and Wages                   | 1,410,000.00        | 1,410,000.00                 | 1,338,003.73        | .00        | 71,996.27         | .00                  | .00          |
| Other Expenses                       | 217,300.00          | 217,300.00                   | 151,577.85          | .00        | 65,722.15         | .00                  | .00          |
| Emergency Management Services        |                     |                              |                     |            |                   |                      |              |
| Other Expenses                       | 2,500.00            | 2,500.00                     | .00                 | .00        | 2,500.00          | .00                  | .00          |
| First Aid Organizations Contribution | 5,000.00            | 5,000.00                     | 3,437.31            | .00        | 1,562.69          | .00                  | .00          |
| Fire                                 |                     |                              |                     |            |                   |                      |              |
| Salaries and Wages                   | 330,000.00          | 330,000.00                   | 322,488.38          | .00        | 7,511.62          | .00                  | .00          |
| Other Expenses                       |                     |                              |                     |            |                   |                      |              |
| Fire Hydrant Service                 | 80,000.00           | 80,000.00                    | 74,415.00           | .00        | 5,585.00          | .00                  | .00          |
| Miscellaneous Other Expenses         | 48,100.00           | 48,100.00                    | 20,899.50           | .00        | 27,200.50         | .00                  | .00          |
| Municipal Prosecutor                 |                     |                              |                     |            |                   |                      |              |
| Salaries and Wages                   | 24,000.00           | 24,000.00                    | 23,066.53           | .00        | 933.47            | .00                  | .00          |
| Other Expenses                       | 300.00              | 300.00                       | .00                 | .00        | 300.00            | .00                  | .00          |
|                                      | <u>2,117,200.00</u> | <u>2,117,200.00</u>          | <u>1,933,888.30</u> | <u>.00</u> | <u>183,311.70</u> | <u>.00</u>           | <u>.00</u>   |
| <b>PUBLIC WORKS FUNCTIONS</b>        |                     |                              |                     |            |                   |                      |              |
| Street and Roads                     |                     |                              |                     |            |                   |                      |              |
| Road Repairs and Maintenance         |                     |                              |                     |            |                   |                      |              |
| Salaries and Wages                   | 441,000.00          | 441,000.00                   | 385,435.63          | .00        | 55,564.37         | .00                  | .00          |
| Other Expenses                       | 84,700.00           | 84,700.00                    | 80,883.66           | .00        | 3,816.34          | .00                  | .00          |
| Traffic Signal Maintenance           |                     |                              |                     |            |                   |                      |              |
| Other Expenses                       | 5,000.00            | 5,000.00                     | .00                 | .00        | 5,000.00          | .00                  | .00          |

Borough of Deal, NJ  
Current Fund  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2016

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|   | Appropriations    |                              | Expended           |            |                   | Unexpended           |              |
|---|-------------------|------------------------------|--------------------|------------|-------------------|----------------------|--------------|
|   | Budget            | Budget After<br>Modification | Paid or<br>Charged | Encumbered | Reserved          | Balance<br>Cancelled | Overexpended |
| <b><u>PUBLIC WORKS FUNCTIONS</u></b> (Cont'd)     |                   |                              |                    |            |                   |                      |              |
| Garbage and Trash Removal                         |                   |                              |                    |            |                   |                      |              |
| Salaries and Wages                                | 205,000.00        | 205,000.00                   | 171,795.13         | .00        | 33,204.87         | .00                  | .00          |
| Other Expenses                                    | 14,500.00         | 14,500.00                    | 8,375.59           | .00        | 6,124.41          | .00                  | .00          |
| Public Buildings and Grounds                      |                   |                              |                    |            |                   |                      |              |
| Other Expenses                                    | 51,400.00         | 51,400.00                    | 35,763.15          | .00        | 15,636.85         | .00                  | .00          |
| Vehicle Maintenance                               |                   |                              |                    |            |                   |                      |              |
| Other Expenses                                    | 95,000.00         | 95,000.00                    | 72,459.03          | .00        | 22,540.97         | .00                  | .00          |
| Deal Lake Weed Control                            |                   |                              |                    |            |                   |                      |              |
| Other Expenses                                    | <u>1,750.00</u>   | <u>1,750.00</u>              | <u>1,750.00</u>    | <u>.00</u> | <u>.00</u>        | <u>.00</u>           | <u>.00</u>   |
|   | <u>898,350.00</u> | <u>898,350.00</u>            | <u>756,462.19</u>  | <u>.00</u> | <u>141,887.81</u> | <u>.00</u>           | <u>.00</u>   |
| <b><u>HEALTH AND HUMAN SERVICES FUNCTIONS</u></b> |                   |                              |                    |            |                   |                      |              |
| Board of Health (Ch. 329 P.L. 1975)               |                   |                              |                    |            |                   |                      |              |
| Other Expenses                                    | 25,500.00         | 25,500.00                    | 24,744.75          | .00        | 755.25            | .00                  | .00          |
| Dog Regulation                                    |                   |                              |                    |            |                   |                      |              |
| Other Expenses                                    | 7,000.00          | 7,000.00                     | 5,142.00           | .00        | 1,858.00          | .00                  | .00          |
| Aid to Health Care Facilities (N.J.S.A. 44:5.2)   | <u>500.00</u>     | <u>500.00</u>                | <u>.00</u>         | <u>.00</u> | <u>500.00</u>     | <u>.00</u>           | <u>.00</u>   |
|   | <u>33,000.00</u>  | <u>33,000.00</u>             | <u>29,886.75</u>   | <u>.00</u> | <u>3,113.25</u>   | <u>.00</u>           | <u>.00</u>   |
| <b><u>PARK AND RECREATION FACILITIES</u></b>      |                   |                              |                    |            |                   |                      |              |
| Recreation  |                   |                              |                    |            |                   |                      |              |
| Other Expenses                                    | 1,400.00          | 1,400.00                     | .00                | .00        | 1,400.00          | .00                  | .00          |
| Parks and Playgrounds                             |                   |                              |                    |            |                   |                      |              |
| Other Expenses                                    | 5,000.00          | 5,000.00                     | 4,960.00           | .00        | 40.00             | .00                  | .00          |
| Beach Front Recreation Facilities                 |                   |                              |                    |            |                   |                      |              |
| Salaries and Wages                                | 652,000.00        | 652,000.00                   | 574,158.39         | .00        | 77,841.61         | .00                  | .00          |
| Other Expenses                                    | <u>149,900.00</u> | <u>149,900.00</u>            | <u>106,551.78</u>  | <u>.00</u> | <u>43,348.22</u>  | <u>.00</u>           | <u>.00</u>   |
|   | <u>808,300.00</u> | <u>808,300.00</u>            | <u>685,670.17</u>  | <u>.00</u> | <u>122,629.83</u> | <u>.00</u>           | <u>.00</u>   |
| Municipal Court                                   |                   |                              |                    |            |                   |                      |              |
| Salaries and Wages                                | 103,050.00        | 103,050.00                   | 91,909.62          | .00        | 11,140.38         | .00                  | .00          |
| Other Expenses                                    | <u>32,400.00</u>  | <u>32,400.00</u>             | <u>27,868.03</u>   | <u>.00</u> | <u>4,531.97</u>   | <u>.00</u>           | <u>.00</u>   |
|   | <u>135,450.00</u> | <u>135,450.00</u>            | <u>119,777.65</u>  | <u>.00</u> | <u>15,672.35</u>  | <u>.00</u>           | <u>.00</u>   |
| Public Defender                                   |                   |                              |                    |            |                   |                      |              |
| Other Expenses                                    | <u>4,000.00</u>   | <u>4,000.00</u>              | <u>3,538.85</u>    | <u>.00</u> | <u>461.15</u>     | <u>.00</u>           | <u>.00</u>   |



Borough of Deal, NJ  
Current Fund  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2016

A-3.4  
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|   | <u>Appropriations</u> |                     | <u>Expended</u>     |                   | <u>Unexpended</u>   |                     |
|---|-----------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
|   | <u>Budget</u>         | <u>Budget After</u> | <u>Paid or</u>      | <u>Encumbered</u> | <u>Balance</u>      | <u>Overexpended</u> |
|   |                       | <u>Modification</u> | <u>Charged</u>      |                   | <u>Cancelled</u>    |                     |
| <b><u>Uniform Construction Code - Appropriations Offset</u></b> |                       |                     |                     |                   |                     |                     |
| <b><u>By Dedicated Revenues (N.J.A.C.5:23-4.17)</u></b>         |                       |                     |                     |                   |                     |                     |
| State Uniform Construction Code                                 |                       |                     |                     |                   |                     |                     |
| Construction Official   |                       |                     |                     |                   |                     |                     |
| Salaries and Wages  | 103,000.00            | 103,000.00          | 88,253.65           | .00               | 14,746.35           | .00                 |
| Other Expenses  | 12,500.00             | 12,500.00           | 12,058.93           | .00               | 441.07              | .00                 |
| Sub-Code Officials  |                       |                     |                     |                   |                     |                     |
| Plumbing Inspector  |                       |                     |                     |                   |                     |                     |
| Salaries and Wages  | 12,000.00             | 12,000.00           | 11,444.40           | .00               | 555.60              | .00                 |
| Other Expenses  | 200.00                | 200.00              | 103.00              | .00               | 97.00               | .00                 |
| Fire Sub-Code Official  |                       |                     |                     |                   |                     |                     |
| Salaries and Wages  | 7,000.00              | 7,000.00            | 6,995.52            | .00               | 4.48                | .00                 |
| Other Expenses  | 400.00                | 400.00              | 306.00              | .00               | 94.00               | .00                 |
| Electrical Inspector  |                       |                     |                     |                   |                     |                     |
| Salaries and Wages  | 13,000.00             | 13,000.00           | 12,185.91           | .00               | 814.09              | .00                 |
| Other Expenses  | 200.00                | 200.00              | 50.00               | .00               | 150.00              | .00                 |
|   | <u>148,300.00</u>     | <u>148,300.00</u>   | <u>131,397.41</u>   | <u>.00</u>        | <u>16,902.59</u>    | <u>.00</u>          |
| <b><u>UNCLASSIFIED</u></b>                                      |                       |                     |                     |                   |                     |                     |
| Accumulated Leave Compensation                                  | <u>1,000.00</u>       | <u>1,000.00</u>     | <u>.00</u>          | <u>.00</u>        | <u>1,000.00</u>     | <u>.00</u>          |
| <b><u>UTILITY EXPENSES AND BULK PURCHASES</u></b>               |                       |                     |                     |                   |                     |                     |
| Electricity   | 65,000.00             | 65,000.00           | 57,023.79           | .00               | 7,976.21            | .00                 |
| Street Lighting   | 65,000.00             | 65,000.00           | 42,143.17           | .00               | 22,856.83           | .00                 |
| Telephone   | 35,000.00             | 35,000.00           | 34,751.93           | .00               | 248.07              | .00                 |
| Water   | 25,000.00             | 25,000.00           | 14,012.78           | .00               | 10,987.22           | .00                 |
| Gas   | 30,000.00             | 30,000.00           | 17,551.90           | .00               | 12,448.10           | .00                 |
| Sewerage Processing and Disposal                                | 39,000.00             | 39,000.00           | 38,000.00           | .00               | 1,000.00            | .00                 |
| Gasoline  | 120,000.00            | 120,000.00          | 54,171.84           | .00               | 65,828.16           | .00                 |
|   | <u>379,000.00</u>     | <u>379,000.00</u>   | <u>257,655.41</u>   | <u>.00</u>        | <u>121,344.59</u>   | <u>.00</u>          |
| <b><u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u></b>               | <u>145,000.00</u>     | <u>145,000.00</u>   | <u>126,144.61</u>   | <u>.00</u>        | <u>18,855.39</u>    | <u>.00</u>          |
| <b><u>Total Operations Within "CAPS"</u></b>                    | <u>6,715,197.00</u>   | <u>6,715,197.00</u> | <u>5,701,966.59</u> | <u>.00</u>        | <u>1,013,230.41</u> | <u>.00</u>          |
| <b><u>Contingent</u></b>  | <u>2,500.00</u>       | <u>2,500.00</u>     | <u>.00</u>          | <u>.00</u>        | <u>2,500.00</u>     | <u>.00</u>          |
| <b><u>Total Operations Including Contingent -</u></b>           |                       |                     |                     |                   |                     |                     |
| <b><u>Within "CAPS"</u></b>                                     | <u>6,717,697.00</u>   | <u>6,717,697.00</u> | <u>5,701,966.59</u> | <u>.00</u>        | <u>1,015,730.41</u> | <u>.00</u>          |
| <b><u>Detail</u></b>  |                       |                     |                     |                   |                     |                     |
| Salaries and Wages  | 3,666,752.00          | 3,666,752.00        | 3,358,920.29        | .00               | 307,831.71          | .00                 |
| Other Expenses  | <u>3,050,945.00</u>   | <u>3,050,945.00</u> | <u>2,343,046.30</u> | <u>.00</u>        | <u>707,898.70</u>   | <u>.00</u>          |

Borough of Deal, NJ  
Current Fund  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2016

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|   | Appropriations             |                              | Expended                   |                   |                            | Unexpended<br>Balance<br>Cancelled | Overexpended      |
|---|----------------------------|------------------------------|----------------------------|-------------------|----------------------------|------------------------------------|-------------------|
|   | Budget                     | Budget After<br>Modification | Paid or<br>Charged         | Encumbered        | Reserved                   |                                    |                   |
| <b><u>Deferred Charges and Statutory Expenditures -<br/>Municipal within "CAPS"</u></b>         |                            |                              |                            |                   |                            |                                    |                   |
| <b><u>Deferred Charges</u></b>  |                            |                              |                            |                   |                            |                                    |                   |
| Emergency Authorizations  | .00                        | .00                          | .00                        | .00               | .00                        | .00                                | .00               |
| Overexpenditure of Budget Appropriations Reserves   | 15,213.70                  | 15,213.70                    | 15,213.70                  | .00               | .00                        | .00                                | .00               |
| <b><u>Statutory Expenditures</u></b>  |                            |                              |                            |                   |                            |                                    |                   |
| Contribution to:  |                            |                              |                            |                   |                            |                                    |                   |
| Public Employees' Retirement System   | 141,402.00                 | 141,402.00                   | 141,402.00                 | .00               | .00                        | .00                                | .00               |
| Social Security System (O.A.S.I.)   | 210,000.00                 | 210,000.00                   | 178,490.69                 | .00               | 31,509.31                  | .00                                | .00               |
| Police & Firemen's Retirement System of N.J.  | 491,183.00                 | 491,183.00                   | 491,183.00                 | .00               | .00                        | .00                                | .00               |
| State Disability Insurance  | 2,500.00                   | 2,500.00                     | 1,979.18                   | .00               | 520.82                     | .00                                | .00               |
| <b><u>Total Deferred Charges &amp; Statutory Expenditures -<br/>Municipal Within "CAPS"</u></b> | <b><u>860,298.70</u></b>   | <b><u>860,298.70</u></b>     | <b><u>828,268.57</u></b>   | <b><u>.00</u></b> | <b><u>32,030.13</u></b>    | <b><u>.00</u></b>                  | <b><u>.00</u></b> |
| <b><u>Total General Appropriations for Municipal Purposes -<br/>Within "CAPS"</u></b>           | <b><u>7,577,995.70</u></b> | <b><u>7,577,995.70</u></b>   | <b><u>6,530,235.16</u></b> | <b><u>.00</u></b> | <b><u>1,047,760.54</u></b> | <b><u>.00</u></b>                  | <b><u>.00</u></b> |
| <b><u>Operations - Excluded from "CAPS"</u></b>   |                            |                              |                            |                   |                            |                                    |                   |
| Employee Group Health Insurance   | 17,010.00                  | 17,010.00                    | 17,010.00                  | .00               | .00                        | .00                                | .00               |
| <b><u>Shared Service Agreements</u></b>   |                            |                              |                            |                   |                            |                                    |                   |
| Police Mandated 911 Emergency Service   | 10,000.00                  | 10,000.00                    | 7,009.10                   | .00               | 2,990.90                   | .00                                | .00               |
| Ocean Township Tactical Team Fee-SWAT   | 1,050.00                   | 1,050.00                     | 1,000.00                   | .00               | 50.00                      | .00                                | .00               |
| Reverse 911 Emergency Service   | 1,000.00                   | 1,000.00                     | 227.92                     | .00               | 772.08                     | .00                                | .00               |
| Department of Public Affairs & Public Safety  |                            |                              |                            |                   |                            |                                    |                   |
| Police Services - Borough of Interlaken   | 576,568.00                 | 576,568.00                   | 576,562.97                 | .00               | 5.03                       | .00                                | .00               |
| Police Services - Village of Loch Arbour  | 153,841.00                 | 153,841.00                   | 126,402.14                 | .00               | 27,438.86                  | .00                                | .00               |
| Municipal Court Services - Village of Loch Arbour   | 8,979.00                   | 8,979.00                     | 8,975.33                   | .00               | 3.67                       | .00                                | .00               |
| Department of Pubic Works, Parks & Public Property  |                            |                              |                            |                   |                            |                                    |                   |
| Public Works Services - Village of Loch Arbour  | 114,856.00                 | 114,856.00                   | 38,088.02                  | .00               | 76,767.98                  | .00                                | .00               |
| <b><u>Total Interlocal Municipal Service Agreements</u></b>                                     | <b><u>866,294.00</u></b>   | <b><u>866,294.00</u></b>     | <b><u>758,265.48</u></b>   | <b><u>.00</u></b> | <b><u>108,028.52</u></b>   | <b><u>.00</u></b>                  | <b><u>.00</u></b> |
| <b><u>Public and Private Programs Off-Set By Revenues</u></b>                                   |                            |                              |                            |                   |                            |                                    |                   |
| Reserve for Municipal Court Alcohol, Education<br>& Rehabilitation Fund                         | 2,167.43                   | 2,167.43                     | 2,167.43                   | .00               | .00                        | .00                                | .00               |
| Reserve for Clean Communities Program   | 7,127.32                   | 7,127.32                     | 7,127.32                   | .00               | .00                        | .00                                | .00               |
| Reserve for Body Armor Fund   | 1,931.30                   | 1,931.30                     | 1,931.30                   | .00               | .00                        | .00                                | .00               |
| Reserve for Recycling Tonnage Grant   | 2,788.31                   | 2,788.31                     | 2,788.31                   | .00               | .00                        | .00                                | .00               |
| <b><u>Total Public and Private Programs Off-Set By Revenues</u></b>                             | <b><u>14,014.36</u></b>    | <b><u>14,014.36</u></b>      | <b><u>14,014.36</u></b>    | <b><u>.00</u></b> | <b><u>.00</u></b>          | <b><u>.00</u></b>                  | <b><u>.00</u></b> |

Borough of Deal, NJ  
Current Fund  
Statement of Expenditures - Regulatory Basis  
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|  | <u>Appropriations</u>  |                                  | <u>Expended</u>        |                   |                     | <u>Unexpended</u>        | <u>Overexpended</u> |
|--|------------------------|----------------------------------|------------------------|-------------------|---------------------|--------------------------|---------------------|
|  | <u>Budget</u>          | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u>     | <u>Balance Cancelled</u> |                     |
| <b><u>Total Operations - Excluded From "CAPS"</u></b>                                    | <u>897,318.36</u>      | <u>897,318.36</u>                | <u>789,289.84</u>      | <u>.00</u>        | <u>108,028.52</u>   | <u>.00</u>               | <u>.00</u>          |
| <b><u>Detail</u></b>   |                        |                                  |                        |                   |                     |                          |                     |
| Salaries and Wages   | .00                    | .00                              | .00                    | .00               | .00                 | .00                      | .00                 |
| Other Expenses   | <u>897,318.36</u>      | <u>897,318.36</u>                | <u>789,289.84</u>      | <u>.00</u>        | <u>108,028.52</u>   | <u>.00</u>               | <u>.00</u>          |
| <b><u>Capital Improvements - Excluded From "CAPS"</u></b>                                |                        |                                  |                        |                   |                     |                          |                     |
| Down Payments on Improvements  | .00                    | .00                              | .00                    | .00               | .00                 | .00                      | .00                 |
| Capital Improvement Fund   | <u>200,000.00</u>      | <u>200,000.00</u>                | <u>200,000.00</u>      | <u>.00</u>        | <u>.00</u>          | <u>.00</u>               | <u>.00</u>          |
| <b><u>Total Capital Improvements - Excluded From "CAPS"</u></b>                          | <u>200,000.00</u>      | <u>200,000.00</u>                | <u>200,000.00</u>      | <u>.00</u>        | <u>.00</u>          | <u>.00</u>               | <u>.00</u>          |
| <b><u>Municipal Debt Service - Excluded From "CAPS"</u></b>                              |                        |                                  |                        |                   |                     |                          |                     |
| Payment of Bond Anticipation Notes and Capital Notes                                     | 1,190,000.00           | 1,190,000.00                     | 1,189,969.68           | .00               | .00                 | 30.32                    | .00                 |
| Interest on Notes  | <u>7,500.00</u>        | <u>7,500.00</u>                  | <u>6,621.32</u>        | <u>.00</u>        | <u>.00</u>          | <u>878.68</u>            | <u>.00</u>          |
| <b><u>Total Municipal Debt Service - Excluded From "CAPS"</u></b>                        | <u>1,197,500.00</u>    | <u>1,197,500.00</u>              | <u>1,196,591.00</u>    | <u>.00</u>        | <u>.00</u>          | <u>909.00</u>            | <u>.00</u>          |
| <b><u>Total General Appropriations for Municipal Purposes - Excluded From "CAPS"</u></b> | <u>2,294,818.36</u>    | <u>2,294,818.36</u>              | <u>2,185,880.84</u>    | <u>.00</u>        | <u>108,028.52</u>   | <u>909.00</u>            | <u>.00</u>          |
| <b><u>Sub-Total General Appropriations</u></b>   | <u>9,872,814.06</u>    | <u>9,872,814.06</u>              | <u>8,716,116.00</u>    | <u>.00</u>        | <u>1,155,789.06</u> | <u>909.00</u>            | <u>.00</u>          |
| <b><u>Reserve for Uncollected Taxes</u></b>  | <u>422,024.80</u>      | <u>422,024.80</u>                | <u>422,024.80</u>      | <u>.00</u>        | <u>.00</u>          | <u>.00</u>               | <u>.00</u>          |
| <b><u>Total General Appropriations</u></b>   | <u>\$10,294,838.86</u> | <u>10,294,838.86</u>             | <u>9,138,140.80</u>    | <u>.00</u>        | <u>1,155,789.06</u> | <u>909.00</u>            | <u>.00</u>          |

|  | <u>Ref.</u> | <u>A-2</u>            | <u>A</u> | <u>A</u> |
|--|-------------|-----------------------|----------|----------|
| Reserve for Uncollected Taxes  | A-2         | 422,024.80            |          |          |
| Cash Disbursed   | A-4         | 7,732,440.26          |          |          |
| Reserve for Municipal Court Alcohol, Education & Rehabilitation Fund | A-29        | 2,167.43              |          |          |
| Reserve for Clean Communities Program                                | A-29        | 7,127.32              |          |          |
| Deferred Charge - Overexpenditure of Budget                          |             |                       |          |          |
| Appropriation Reserves   | A-3         | 15,213.70             |          |          |
| Reserve for Body Armor Fund  | A-29        | 1,931.30              |          |          |
| Reserve for Recycling Tonnage Grant                                  | A-29        | 2,788.31              |          |          |
| Payment of Bond Anticipation Notes                                   | C-7         | <u>954,447.68</u>     |          |          |
|  |             | <u>\$9,138,140.80</u> |          |          |

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

**TRUST FUND**

**Borough of Deal, NJ**  
**Trust Fund**  
**Comparative Balance Sheet - Regulatory Basis**  
**As of December 31, 2016 and 2015**

B

|  | <u>Ref.</u> | <u>2016</u>                | <u>2015</u>              |
|--|-------------|----------------------------|--------------------------|
| <b><u>Assets</u></b>                                       |             |                            |                          |
| <b><u>Dog License Fund</u></b>                             |             |                            |                          |
| Cash   | B-1         | <u>303.60</u>              | <u>262.20</u>            |
| <b><u>Other Trust Funds</u></b>                            |             |                            |                          |
| Cash - Law Enforcement Trust Fund                          | B-1         | 9,247.15                   | 8,497.63                 |
| Cash - Unemployment Compensation Funds                     | B-1         | 12,848.47                  | 15,486.86                |
| Cash - Street Opening Deposits                             | B-1         | 2,000.00                   | 2,950.00                 |
| Cash - Miscellaneous Trust Funds                           | B-1         | <u>724,070.81</u>          | <u>359,221.94</u>        |
|  |             | <u>748,166.43</u>          | <u>386,156.43</u>        |
| <b><u>Total Assets</u></b>                                 |             | <b><u>\$748,470.03</u></b> | <b><u>386,418.63</u></b> |
| <b><u>Liabilities, Reserves and Fund Balance</u></b>       |             |                            |                          |
| <b><u>Dog License Fund</u></b>                             |             |                            |                          |
| Reserve for Dog Fund Expenditures                          | B-5         | <u>303.60</u>              | <u>262.20</u>            |
| <b><u>Other Trust Funds</u></b>                            |             |                            |                          |
| Reserve for Law Enforcement Trust Fund                     | B:B-1       | 9,247.15                   | 8,497.63                 |
| Reserve for Unemployment Compensation Funds                | B-6         | 12,848.47                  | 15,486.86                |
| Reserve for Street Opening Deposits                        | B-4         | 2,000.00                   | 2,950.00                 |
| Reserve for Miscellaneous Trust Funds                      | B-7         | <u>724,070.81</u>          | <u>359,221.94</u>        |
|  |             | <u>748,166.43</u>          | <u>386,156.43</u>        |
| <b><u>Total Liabilities, Reserves and Fund Balance</u></b> |             | <b><u>\$748,470.03</u></b> | <b><u>386,418.63</u></b> |

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

**GENERAL CAPITAL FUND**

**Borough of Deal, NJ**  
**General Capital Fund**  
**Comparative Balance Sheet - Regulatory Basis**  
**As of December 31, 2016 and 2015**

C

|  | <u>Ref.</u> | <u>2016</u>                  | <u>2015</u>                |
|--|-------------|------------------------------|----------------------------|
| <b><u>Assets</u></b>                                       |             |                              |                            |
| Cash   | C-2         | 610,320.55                   | 782,436.24                 |
| Deferred Charges to Future Taxation -                      |             |                              |                            |
| Funded   | C           | .00                          | .00                        |
| Unfunded   | C-5         | 4,751,596.67                 | 5,687,816.35               |
| <b><u>Total Assets</u></b>                                 |             | <b><u>\$5,361,917.22</u></b> | <b><u>6,470,252.59</u></b> |
| <br><b><u>Liabilities, Reserves and Fund Balance</u></b>   |             |                              |                            |
| Bond Anticipation Notes                                    | C-7         | 2,047,516.30                 | 1,989,749.68               |
| Improvement Authorizations -                               |             |                              |                            |
| Funded   | C-8         | 366,656.04                   | 331,922.97                 |
| Unfunded   | C-8         | 2,437,883.36                 | 3,717,903.77               |
| Capital Improvement Fund                                   | C-6         | 147,082.85                   | 68,332.85                  |
| Fund Balance   | C-1         | 362,778.67                   | 362,343.32                 |
| <b><u>Total Liabilities, Reserves and Fund Balance</u></b> |             | <b><u>\$5,361,917.22</u></b> | <b><u>6,470,252.59</u></b> |

Note: There were bonds and notes authorized but not issued of \$2,704,080.37 on December 31, 2016 (C-12).

**Statement of Fund Balance - Regulatory Basis**

C-1

|   | <u>Ref.</u> |                            |
|---|-------------|----------------------------|
| <b><u>Balance</u></b> - December 31, 2015 | C           | 362,343.32                 |
| <b><u>Increased by</u></b>                |             |                            |
| Premium on Bond Anticipation Note Issued  | C-9         | 435.35                     |
| <b><u>Balance</u></b> - December 31, 2016 | C           | <b><u>\$362,778.67</u></b> |

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

|                           |
|---------------------------|
| <b>SEWER UTILITY FUND</b> |
|---------------------------|



**Borough of Deal, NJ**  
**Sewer Utility Fund**  
**Comparative Balance Sheet - Regulatory Basis**  
**As of December 31, 2016 and 2015**

**D**

| <b><u>Assets</u></b>                                       | <b><u>Ref.</u></b> | <b><u>2016</u></b>    | <b><u>2015</u></b>  |
|--|--------------------|-----------------------|---------------------|
| <b><u>Operating Fund</u></b>                               |                    |                       |                     |
| Cash   | D-8                | 2,034,126.81          | 1,765,538.01        |
| Notes Receivable - Sewer Capital Fund                      | D-54               | 40,000.00             | .00                 |
| Due from Current Fund                                      | D-30:A-24          | .00                   | 25,003.93           |
|  |                    | <u>2,074,126.81</u>   | <u>1,790,541.94</u> |
| Receivables with Full Reserves                             |                    |                       |                     |
| Sewer Rental Receivables                                   | D-14               | 72,495.70             | 48,402.28           |
| <b><u>Total Operating Fund</u></b>                         |                    | <u>2,146,622.51</u>   | <u>1,838,944.22</u> |
| <b><u>Capital Fund</u></b>                                 |                    |                       |                     |
| Cash   | D-8                | 61,083.08             | 45,464.17           |
| Fixed Capital Authorized and Uncompleted                   | D-29               | 4,200,000.00          | 4,200,000.00        |
| Fixed Capital  | D-28               | 2,278,888.25          | 2,278,888.25        |
| <b><u>Total Capital Fund</u></b>                           |                    | <u>6,539,971.33</u>   | <u>6,524,352.42</u> |
| <b><u>Total Assets</u></b>                                 |                    | <u>\$8,686,593.84</u> | <u>8,363,296.64</u> |
| <b><u>Liabilities, Reserves and Fund Balance</u></b>       |                    |                       |                     |
| <b><u>Operating Fund</u></b>                               |                    |                       |                     |
| Liabilities  |                    |                       |                     |
| Utility Rent Overpayments                                  | D-38               | 1,909.33              | 1,668.06            |
| Prepaid Sewer Rent   | D-39               | .00                   | 169.06              |
| Appropriation Reserves                                     | D-5:D-34           | 286,717.69            | 466,322.91          |
| Due to Current Fund  | A-24:D-30          | 74,000.00             | .00                 |
| Reserve to Pay Debt Proceeds - Ordn. #1070/1074            | D-4                | .00                   | 37,276.17           |
| Accrued Interest on Bonds and Notes                        | D-5:D-36           | .00                   | 330.41              |
| Accounts Payable   | D-35               | 716,913.47            | 716,913.47          |
|  |                    | <u>1,079,540.49</u>   | <u>1,222,680.08</u> |
| Reserves for Receivables                                   | D                  | 72,495.70             | 48,402.28           |
| Fund Balance   | D-1                | 994,586.32            | 567,861.86          |
| <b><u>Total Operating Fund</u></b>                         |                    | <u>2,146,622.51</u>   | <u>1,838,944.22</u> |
| <b><u>Capital Fund</u></b>                                 |                    |                       |                     |
| Bond Anticipation Notes                                    | D-54               | 40,000.00             | 174,782.00          |
| Improvement Authorizations - Funded                        | D-43               | .00                   | .00                 |
| Improvement Authorizations - Unfunded                      | D-43               | 414,759.98            | 460,505.06          |
| Capital Improvement Fund                                   | D-45               | 50,000.00             | 50,000.00           |
| Reserve for Amortization                                   | D-49               | 2,278,888.25          | 2,278,888.25        |
| Deferred Reserve for Amortization                          | D-50               | 3,739,494.94          | 3,543,348.95        |
| Fund Balance   | D-3                | 16,828.16             | 16,828.16           |
| <b><u>Total Capital Fund</u></b>                           |                    | <u>6,539,971.33</u>   | <u>6,524,352.42</u> |
| <b><u>Total Liabilities, Reserves and Fund Balance</u></b> |                    | <u>\$8,686,593.84</u> | <u>8,363,296.64</u> |

There were bonds and notes authorized but not issued of \$420,505.06 on December 31, 2016 (D-56).

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

**Borough of Deal, NJ**

**Sewer Utility Fund**

**Comparative Statement of Operations and Change in Operating Fund Balance - Regulatory Basis** **D-1**  
**For the Years Ended December 31, 2016 and 2015**

| <b><u>Revenue and Other Income</u></b>  | <b><u>Ref.</u></b> | <b><u>2016</u></b>          | <b><u>2015</u></b>         |
|---|--------------------|-----------------------------|----------------------------|
| Fund Balance Utilized   | D-1;D-4            | 35,000.00                   | .00                        |
| Sewer Rentals   | D-4                | 1,152,328.93                | 1,227,874.01               |
| Interest on Investments   | D-4                | 5,566.65                    | 4,398.38                   |
| Interest on Delinquent Accounts   | D-4                | 6,872.98                    | 10,407.52                  |
| Other Credits to Income   |                    |                             |                            |
| Unexpended Balance of Appropriation Reserves  | D-34               | 457,632.02                  | 33,496.22                  |
| Miscellaneous Revenue Not Anticipated   | D-1;D-8            | 320.51                      | 293.33                     |
| Reserve to Pay Debt Proceeds - Ordn. #1071  | D-4                | <u>37,276.17</u>            | <u>7,925.00</u>            |
| <b><u>Total Income</u></b>  |                    | <b><u>1,694,997.26</u></b>  | <b><u>1,284,394.46</u></b> |
| <b><u>Expenditures</u></b>  |                    |                             |                            |
| Operating   | D-5                | 993,650.00                  | 993,650.00                 |
| Capital Improvements  | D-5                | .00                         | .00                        |
| Debt Service  | D-5                | 175,758.81                  | 73,461.49                  |
| Deferred Charges and Statutory Expenditures   | D-5                | <u>63,863.99</u>            | <u>101,461.52</u>          |
| <b><u>Total Expenditures</u></b>  |                    | <b><u>1,233,272.80</u></b>  | <b><u>1,168,573.01</u></b> |
| <b><u>Excess in Revenue</u></b>   |                    | <b>461,724.46</b>           | <b>115,821.45</b>          |
| <b><u>Adjustments to Income Before Fund Balance</u></b>   |                    |                             |                            |
| Expenditures included above which are by<br>Statute Deferred Charges to Budget of<br>Succeeding Years | D                  | <u>.00</u>                  | <u>.00</u>                 |
| <b><u>Statutory Excess to Operating Fund Balance</u></b>  |                    | <b>461,724.46</b>           | <b>115,821.45</b>          |
| <b><u>Operating Fund Balance</u></b>  |                    |                             |                            |
| Balance - January 1   | D-1                | <u>567,861.86</u>           | <u>452,040.41</u>          |
|   |                    | <b><u>1,029,586.32</u></b>  | <b><u>567,861.86</u></b>   |
| <b><u>Decreased by</u></b>  |                    |                             |                            |
| Utilized as Anticipated Revenue in Sewer Utility Fund Budget  | D-1                | 35,000.00                   | .00                        |
| Utilized as Anticipated Revenue in Current Fund Budget  | D-1                | <u>.00</u>                  | <u>.00</u>                 |
|   |                    | <u>35,000.00</u>            | <u>.00</u>                 |
| <b><u>Balance - December 31</u></b>   | D                  | <b><u>\$ 994,586.32</u></b> | <b><u>567,861.86</u></b>   |

**Statement of Fund Balance**  
**Sewer Capital Fund - Regulatory Basis**

**D-3**

|   | <b><u>Ref.</u></b> |                           |
|---|--------------------|---------------------------|
| <b><u>Balance - December 31, 2016 and December 31, 2015</u></b> | D                  | <b><u>\$16,828.16</u></b> |
| No Change in 2016   |                    |                           |

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

Borough of Deal, NJ  
Sewer Utility Fund  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2016  
Sewer Operating Fund

D-4

|  | <u>Ref.</u> | <u>Anticipated</u>    | <u>Realized</u>       | <u>Excess or<br/>Deficit *</u> |
|--|-------------|-----------------------|-----------------------|--------------------------------|
| Fund Balance                               | D-1         | 35,000.00             | 35,000.00             | .00                            |
| Sewer Rents                                | D-1:D-14    | 1,150,000.00          | 1,152,328.93          | 2,328.93                       |
| Interest on Investments                    | D-1         | 1,419.82              | 5,566.65              | 4,146.83                       |
| Interest on Delinquent Accounts            | D-1:D-8     | 10,000.00             | 6,872.98              | 3,127.02*                      |
| Reserve to Pay Debt Proceeds - Ordn. #1071 | D-1:D       | 37,276.17             | 37,276.17             | .00                            |
|  |             | <u>\$1,233,695.99</u> | <u>1,237,044.73</u>   | <u>3,348.74</u>                |
| Analysis of Realized Revenue:              | <u>Ref.</u> | <u>D-5</u>            |                       |                                |
| Rents/Consumer Accounts Receivable:        |             |                       |                       |                                |
| Collected                                  | D-8:D-14    |                       | 1,150,415.81          |                                |
| Overpayments Applied                       | D-14        |                       | 1,668.06              |                                |
| Prepaid Rents Applied                      | D-14        |                       | 245.06                |                                |
|  |             |                       | <u>\$1,152,328.93</u> |                                |
| Interest on Investments:                   |             |                       |                       |                                |
| Cash Received - Sewer Capital Fund         | D-31:D-8    |                       | 160.99                |                                |
| Cash Received - Sewer Operating Fund       | D-4         |                       | <u>5,405.66</u>       |                                |
|  |             |                       | <u>\$5,566.65</u>     |                                |

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2016

D-5

|                                      | <u>Appropriations</u> |                                      | <u>Expended</u>            |                   |                   | <u>Unexpended<br/>Balance<br/>Cancelled</u> |
|--------------------------------------|-----------------------|--------------------------------------|----------------------------|-------------------|-------------------|---|
|                                      | <u>Budget</u>         | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u> | <u>Reserved</u>   |   |
| <b><u>Operating</u></b>              |                       |                                      |                            |                   |                   |   |
| Salaries and Wages                   | 222,000.00            | 222,000.00                           | 221,521.20                 | .00               | 478.80            | .00   |
| Other Expenses                       | 771,650.00            | 771,650.00                           | 491,763.84                 | .00               | 279,886.16        | .00   |
| <b><u>Debt Service</u></b>           |                       |                                      |                            |                   |                   |   |
| Payment of Bond Anticipation Notes   | 174,782.00            | 174,782.00                           | 174,782.00                 | .00               | .00               | .00   |
| Interest on Notes                    | 1,400.00              | 1,400.00                             | 976.81                     | .00               | .00               | 423.19                                      |
| <b><u>Deferred Charges</u></b>       |                       |                                      |                            |                   |                   |   |
| Cost of Improvements Authorized      | 21,363.99             | 21,363.99                            | 21,363.99                  | .00               | .00               | .00   |
| <b><u>Statutory Expenditures</u></b> |                       |                                      |                            |                   |                   |   |
| Public Employees' Retirement System  | 25,000.00             | 25,000.00                            | 25,000.00                  | .00               | .00               | .00   |
| Social Security System               | 17,500.00             | 17,500.00                            | 11,147.27                  | .00               | 6,352.73          | .00   |
|                                      | <u>\$1,233,695.99</u> | <u>1,233,695.99</u>                  | <u>946,555.11</u>          | <u>.00</u>        | <u>286,717.69</u> | <u>423.19</u>                               |
|                                      | <u>Ref.</u>           | <u>D-4</u>                           |                            |                   | <u>D</u>          | <u>D-36</u>                                 |
| Cash Disbursed                       | D-8                   |                                      | 770,796.30                 |                   |                   |   |
| Notes Receivable                     | D-54:D-50             |                                      | 174,782.00                 |                   |                   |   |
| Interest on Bond Anticipation Notes  | D-36                  |                                      | 976.81                     |                   |                   |   |
|                                      |                       |                                      | <u>\$946,555.11</u>        |                   |                   |   |

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

**GENERAL FIXED ASSETS ACCOUNT GROUP**

**Borough of Deal, NJ**  
**General Fixed Assets Account Group**  
**Comparative Statement of General Fixed Assets - Regulatory Basis**  
**As of December 31, 2016 and 2015**  
**(Unaudited)**

E

|  | <u>2016</u>             | <u>2015</u>           |
|--|-------------------------|-----------------------|
| <b><u>General Fixed Assets</u></b>               |                         |                       |
| Land and Improvements                            | 107,612,700.00          | 100,572,600.00        |
| Building and Improvements                        | 9,041,200.00            | 9,041,200.00          |
| Vehicles and Equipment                           | <u>4,775,501.00</u>     | <u>4,688,851.00</u>   |
|  | <u>\$121,429,401.00</u> | <u>114,302,651.00</u> |
| <b><u>Investment in General Fixed Assets</u></b> | <u>\$121,429,401.00</u> | <u>114,302,651.00</u> |

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

## **NOTES TO FINANCIAL STATEMENTS**

**Borough of Deal, NJ**  
**Notes to Financial Statements**  
**Year Ended December 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Except as noted below, the financial statements of the Borough of Deal include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Deal, as required by N.J.S. 40A:5-5.

**B. Description of Funds**

The Governmental Accounting Standards Board ("GASB") is the recognized standard-setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America.

The accounting policies of the Borough of Deal conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Deal accounts for its financial transactions through the following separate funds and accounts as presented below. This presentation differs from the seven fund, two account group presentation as required by generally accepted accounting principles (GAAP).

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

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

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

Sewer Operating and Capital Funds - to account for the operations and acquisition of capital facilities of the municipally-owned Sewer Utility.

General Fixed Assets Account Group - to account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

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

**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 for the Current Fund and Sewer Operating Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40-A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

General Capital Fund

Trust Funds

Sewer Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year.

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 1 - (continued)**

The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2016, the Governing Body did not amend the original Current Fund budget through line item transfers and expenditures did not exceed budgeted appropriations.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriations reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The amounts of the first and second installments are determined as one half of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15, and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on November 11 in the current year, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.



**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 1 - (continued)**

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

Insurance - Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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 budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Deal has developed a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets for vehicles and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available, and at values used for insurance purposes. Fixed assets for land and improvements, and buildings and improvements are valued at assessed valuation for such real properties.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets 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.

No depreciation has been provided for in the financial statements.

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

Accounting for utility fund "fixed capital" remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Utility Funds are recorded in the capital accounts at cost and are adjusted for dispositions and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities do not record depreciation of fixed assets.

GAAP requires that all fixed assets be capitalized at historical cost or estimated historical cost if actual historical cost is not available.

Tax Appeals and Other Contingent Losses - Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 1 - (continued)**

Departures from Generally Accepted Accounting Principles - The accounting principles and practices followed by the Borough of Deal differ in some respects, which in some instances may be material, from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

Taxes and other receivables are fully reserved.

Interfund receivables in the Current Fund are fully reserved and recognized as revenue in the year of liquidation.

Unexpended and uncommitted appropriations are reflected as expenditures.

Overexpended appropriations and emergency appropriations are deferred to the succeeding year's operations.

No provision is made for accumulated vested vacation and sick leave.

Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.

Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Depreciation expense is not calculated on fixed assets.

Encumbrances are reported as a liability in the financial statement.

Net pension liabilities and deferred inflows and outflows related to the pensions are not reported.

It was not practicable to determine the effect of such differences.

**NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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 agency of the United States that insures deposits. N.J.S.A. 17:9-42 requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are protected from loss under the provisions of the Government Unit Deposit Protection Act ("GUDPA"), which is a multiple financial institution collateral pool. New Jersey statutes require 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.

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 2 - (continued)**

The Borough's deposits and investments held at December 31, 2016, and reported at cost or fair value, are as follows:

| <u>Type</u>                           | <u>Rating</u>                                      | <u>Maturities</u> | <u>Cost/<br/>Fair Value</u>  |
|---------------------------------------|--|-------------------|------------------------------|
| <b>Deposits:</b>                      |  |                   |                              |
| Demand deposits                       |  |                   | 8,355,590.96                 |
| <b>Investments:</b>                   |  |                   |                              |
| Investment trust fund                 | See minimum<br>credit ratings-<br>Concentration of | Less than 1 year  | <u>5,688.86</u>              |
| <b>Total deposits and investments</b> | Credit Risk below                                  |                   | <u><b>\$8,361,279.82</b></u> |

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough's deposits may not be returned or; for investments is the risk that the Borough will not be able to recover the value of investment or collateral securities in the possession of an outside party.

Deposits in financial institutions, reported as components of cash and cash equivalents had a bank balance of \$8,367,110.44 at December 31, 2016. Of the bank balance \$250,000.00 was fully insured by depository insurance protected by the Federal Deposit Insurance Corporation (FDIC) and \$8,117,110.44 was secured by a collateral pool held by the bank, but not in the Borough's name, as required by the New Jersey statutes protected from loss under the provisions of the GUDPA.

As of December 31, 2016, the Borough had investments in the State of New Jersey Cash Management Fund, which is available on a voluntary basis for investment by State and certain "Other-than-State" participants including counties, municipalities and school districts, and the agencies or authorities created by such entities. The Fund is managed and administered by the Division of Investment, Department of the Treasury, State of New Jersey and is considered to be an investment trust fund as defined in Governmental Accounting Standards Board (GASB) Statement No. 34. The operations of the Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund. The fair value or carrying amount of investment in this Fund is provided in the above schedule.

Investment Interest Rate Risk - Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2016, are provided in the above schedule.

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than 397 days from the date of purchase.
- c. Bonds or other obligations of the Borough or bonds or other obligations of the Borough school district.
- d. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units.
- e. Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 2 - (continued)**

f. Repurchase agreements (repos) of fully collateralized securities, subject to conditions, as indicated in N.J.S.A. 40A:5-15.1(a).

g. Certificates of deposit at federally insured banks.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of the Borough's investment in a single issuer. The Borough places no limit on the amount it may invest in any one issuer. However, the Borough's sole investment in the State of New Jersey Cash Management Fund as of December 31, 2016, under New Jersey State statutes provides for a State Investment Council (Council) that issues regulations which establish guidelines for permissible investments in the fund which include obligations of the U.S. Treasury and government agencies, Canadian government and provinces and corporations. Such investments may be in the form of fixed income securities, commercial paper, certificates of deposit, repurchase agreements and money market funds. Canadian and corporate obligations must be payable in United States dollars. The Fund places no restrictions on the amount that can be invested in U.S. Treasury and government agency obligations. The Council regulations require minimum credit ratings for all other categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue, as measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's), Standard & Poor's Corporation (S&P), and Fitch Ratings (Fitch).

At June 30, 2016 these credit ratings and limits are as follows:

| Category   | Minimum rating (1) |         |         | Limitation of issuer's outstanding debt | Limitation of issue | Other limitations  |
|--|--------------------|---------|---------|---|---------------------|--|
|  | Moody's            | S&P     | Fitch   |   |                     |  |
| Canadian Government obligations<br>(U.S. Dollar denominated) | Aa3                | AA-     | AA-     | 25%                                     | 25%                 | Not more than 5% of the fund can be invested in one issuer.  |
| Certificates of deposit                                      |                    |         |         |   |                     |  |
| Domestic   | A3/P-1             | A-/A-1  | A-/F-1  | N/A                                     | N/A                 | Split ratings allowable. Cannot exceed 10% of issuer's primary capital. Not more than 5% of fund can be invested in any one issuer and affiliated entities.  |
| International  | Aa3/P-1            | AA-/A-1 | AA-/F-1 | N/A                                     | N/A                 |  |
| Collateralized notes and mortgages                           | Baa3               | BBB-    | BBB-    | N/A                                     | 25%                 | Not more than 5% of fund can be invested in one issue. Not more than 10% of the fund can be invested in this category. Not more than 5% of fund can be invested in any one issuer and affiliated entities. |
| Commercial paper   | P-1                | A-1     | F-1     | N/A                                     | N/A                 | Split ratings allowable. Not more than 5% of fund can be invested in any one issuer and affiliated entities.   |
| Corporate obligations<br>(U.S. Dollar denominated)           | Baa3               | BBB-    | BBB-    | 10%                                     | N/A                 | Not more than 5% of fund can be invested in any one issuer and affiliated entities.  |
| Money market funds   | N/A                | N/A     | N/A     | N/A                                     | N/A                 | Not more than 10% of the fund can be invested in money market funds; limited to 5% of shares or units outstanding.   |
| Mortgage Backed Securities                                   | N/A                | N/A     | N/A     | N/A                                     | 25%                 | Not more than 5% of fund can be invested in one issue.   |
| Repurchase Agreements:                                       |                    |         |         |   |                     | None   |
| Bank or Trust Company  | N/A                | N/A     | N/A     | N/A                                     | N/A                 |  |
| Broker   | P-1                | A-1     | F-1     | N/A                                     | N/A                 |  |

(1) Short-term ratings (e.g. P-1, A-1, F-1) are used for commercial paper and certificates of deposit.

N/A - Not Applicable

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**NOTE 3 BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2016 statutory budget included a reserve for uncollected taxes in the amount of \$422,024.80. The amount of fund balance budgeted to balance the 2016 statutory budget was \$820,000.00.

Inter department budget transfers are not permitted prior to November 1. After November 1 budget transfers can be made in the form of a resolution and approved by the Borough Board of Commissioners.

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2016, there were no special items of revenue and appropriations inserted into the budget.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2016, there was no item of emergency authorization inserted into the budget.

**NOTE 4 GENERAL FIXED ASSETS (UNAUDITED)**

The following schedule is a summary of changes in the general fixed assets account group for the year 2016.

|                            | Balance<br><u>Dec. 31, 2015</u> | <u>Additions</u>    | <u>Retirements</u> | Balance<br><u>Dec. 31, 2016</u> |
|----------------------------|---------------------------------|---------------------|--------------------|---------------------------------|
| Land and Improvements      | 100,572,600.00                  | 7,040,100.00        | .00                | 107,612,700.00                  |
| Buildings and Improvements | 9,041,200.00                    | .00                 | .00                | 9,041,200.00                    |
| Vehicles and Equipment     | 4,688,851.00                    | 106,650.00          | 20,000.00          | 4,775,501.00                    |
|                            | <u>\$ 114,302,651.00</u>        | <u>7,146,750.00</u> | <u>20,000.00</u>   | <u>121,429,401.00</u>           |

**NOTE 5 MUNICIPAL DEBT**

The Local Bond law governs the issuance of bonds and notes to finance capital expenditures. No general obligation bonds have been issued for the general capital fund. Bond anticipation notes, which are issued to temporarily finance Capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT - (EXCLUDING CURRENT AND OPERATING DEBT AND CHAPTER 6 SCHOOL DEBT)

|   | <u>2016</u>           | <u>2015</u>         | <u>2014</u>         |
|---|-----------------------|---------------------|---------------------|
| <u>Issued</u>   |                       |                     |                     |
| General   |                       |                     |                     |
| Bonds and Notes   | 2,047,516.30          | 1,989,749.68        | 2,075,302.00        |
| Sewer Utility   |                       |                     |                     |
| Bonds and Notes   | <u>40,000.00</u>      | <u>174,782.00</u>   | <u>246,956.24</u>   |
| <u>Net Debt Issued</u>  | <u>2,087,516.30</u>   | <u>2,164,531.68</u> | <u>2,322,258.24</u> |
| <u>Authorized But Not Issued</u>                                |                       |                     |                     |
| General   |                       |                     |                     |
| Bonds and Notes   | 2,704,080.37          | 3,698,066.67        | 1,565,985.33        |
| Sewer Utility   |                       |                     |                     |
| Bonds and Notes   | <u>420,505.06</u>     | <u>481,869.05</u>   | <u>545,830.57</u>   |
| <u>Total Authorized But Not Issued</u>                          | <u>3,124,585.43</u>   | <u>4,179,935.72</u> | <u>2,111,815.90</u> |
| <u>Net Bonds and Notes Issued and Authorized But Not Issued</u> | <u>\$5,212,101.73</u> | <u>6,344,467.40</u> | <u>4,434,074.14</u> |

There was no current debt authorized but not issued.

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 5 - (continued)**

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .231%.

|                            | <u>Gross Debt</u>     | <u>Deductions</u> | <u>Net Debt</u>     |
|----------------------------|-----------------------|-------------------|---------------------|
| Local School District Debt | .00                   | .00               | .00                 |
| Sewer Utility Debt         | 460,505.06            | 320,805.06        | 139,700.00          |
| General Debt               | 4,751,596.67          | .00               | 4,751,596.67        |
|                            | <u>\$5,212,101.73</u> | <u>320,805.06</u> | <u>4,891,296.67</u> |

Net debt \$4,891,296.67 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$2,117,618,722.00 = .231%.

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

|  |                        |
|--|------------------------|
| 3 ½% of Average Equalized Valuation Basis of Real Property | 74,116,655.27          |
| Net Debt   | <u>4,891,296.67</u>    |
| Remaining Borrowing Power                                  | <u>\$69,225,358.60</u> |

**BORROWING POWER AVAILABLE UNDER N.J.S. 40A:2-7(f)**

**ACCUMULATED BORROWING POWER UNDER R.S. 40:1-16(d) (WHICH IS AVAILABLE ONLY WHEN THE PERCENTAGE OF NET DEBT EXCEEDS 3 ½%)**

|  |               |
|--|---------------|
| Balance of Debt Incurring Capacity as of December 31, 2015 under R.S. 40:1-16(d) as shown on Annual Debt Statement | None          |
| Deduct: Net amount authorized in 2016  | <u>None</u>   |
| Remaining balance of debt incurring capacity under R.S. 40:1-16(d) at December 31, 2016                            | <u>\$None</u> |

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY PER N.J.S. 40A:2-45**

|  |                     |
|--|---------------------|
| Total Cash Receipts from fees, rents or other charges for year | 1,237,365.24        |
| Deductions   |                     |
| Operating and Maintenance Costs                                | 1,036,150.00        |
| Debt Service per Sewer Account                                 | <u>208,200.24</u>   |
| Total Deductions   | <u>1,244,350.24</u> |
| Deficit in Revenues  | <u>\$ 6,985.00</u>  |

The foregoing debt information is in agreement with the annual debt statement filed by the Chief Financial Officer.

**BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

At December 31, 2016 the Borough of Deal had authorized but not issued bonds and notes as follows:

|                      |                |
|----------------------|----------------|
| General Capital Fund |                |
| Bonds and Notes      | \$2,704,080.37 |
| Sewer Utility Fund   |                |
| Bonds and Notes      | \$420,505.06   |

There is no current or utility operating debt authorized but not issued.

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**NOTE 6 FUND BALANCES (SURPLUS) APPROPRIATED**

Fund balances (surplus) at December 31, 2016 which were appropriated and included as anticipated revenue for the year ending December 31, 2017 were as follows:

|                    |              |
|--------------------|--------------|
| Current Fund       | \$820,000.00 |
| Sewer Utility Fund | \$.00        |

**NOTE 7 DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2016 consist of the following:

|                    |  |
|--------------------|--|
| <u>\$74,000.00</u> | Due from Sewer Operating Fund to Current Fund.         |
| <u>\$66,971.31</u> | Due to Federal and State Grant Fund from Current Fund. |

The purpose of these interfunds was short-term borrowings.

It is anticipated that all interfunds will be liquidated during the calendar year.

**NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

There were no deferred charges in the Current Fund at December 31, 2016 that were required to be raised in subsequent budgets.

**NOTE 9 LOCAL DISTRICT SCHOOL TAXES**

Regulations provide for the 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.

The Borough of Deal has elected to defer school taxes as follows:

|                | <u>Balance, December 31</u> |                   |
|----------------|-----------------------------|-------------------|
|                | <u>2016</u>                 | <u>2015</u>       |
| Balance of Tax | 983,851.96                  | 983,851.96        |
| Deferred       | <u>231,233.50</u>           | <u>231,233.50</u> |
| Tax Payable    | <u>\$752,618.46</u>         | <u>752,618.46</u> |

**NOTE 10 DISCOUNTS ARE NOT ALLOWED ON PREPAID TAXES**

Borough of Deal, NJ  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2016

**NOTE 11 PENSION PLANS**

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS). New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to Financial Statements.

A. Public Employees' Retirement System (PERS)

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

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

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

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in the State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. The Borough's contributions to PERS amounted to \$166,402.00 for 2016, \$175,602.00 for 2015 and \$156,318.51 for 2014.

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



**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 11 - (continued)**

**A. Public Employees' Retirement System (PERS) (cont'd)**

Pension Liabilities and Pension Expense - Although the Borough does not report net pension liability related to PERS, at December 31, 2016, the Borough's liability was \$5,911,720.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the Borough's proportion was 0.0199604740%, which was an increase of 0.0312769254% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Borough recognized actual pension expense in the amount of \$166,402.00.

Actuarial Assumptions - The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

|                           |                            |
|---------------------------|----------------------------|
| Inflation Rate            | 3.08%                      |
| Salary Increases:         |                            |
| Through 2026              | 1.65% - 4.15% based on age |
| Thereafter                | 2.65% - 5.15% based on age |
| Investment Rate of Return | 7.65%                      |

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members and a one-year static projection based on mortality improvement. The RP-2000 Disabled Mortality Tables (setback 3 years for males and set forward 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 11 - (continued)**

**A. Public Employees' Retirement System (PERS) (cont'd)**

Long-Term Expected Rate of Return (cont'd) - Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

| <u>Asset Class</u>          | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Cash                        | 5.00%                    | 0.87%   |
| U.S. Treasuries             | 1.50%                    | 1.74%   |
| Investment Grade Credit     | 8.00%                    | 1.79%   |
| Mortgages                   | 2.00%                    | 1.67%   |
| High Yield Bonds            | 2.00%                    | 4.56%   |
| Inflation-Indexed Bonds     | 1.50%                    | 3.44%   |
| Broad U.S. Equities         | 26.00%                   | 8.53%   |
| Developed Foreign Equities  | 13.25%                   | 6.83%   |
| Emerging Market Equities    | 6.50%                    | 9.95%   |
| Private Equity              | 9.00%                    | 12.40%  |
| Hedge Funds/Absolute Return | 12.50%                   | 4.68%   |
| Real Estate (Property)      | 2.00%                    | 6.91%   |
| Commodities                 | 0.50%                    | 5.45%   |
| Global Debt ex U.S.         | 5.00%                    | -0.25%  |
| REIT                        | 5.25%                    | 5.63%   |

Discount Rate - PERS - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the collective net pension liability as of December 31, 2016 calculated using the discount rate as disclosed below, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|  | <u>Year Ended December 31, 2016</u> |   |                               |
|--|-------------------------------------|---|-------------------------------|
|  | 1% Decrease<br><u>(2.98%)</u>       | Current Discount Rate<br><u>(3.98%)</u> | 1% Increase<br><u>(4.98%)</u> |
| Borough's proportionate share of the Net Pension Liability | \$7,244,123.00                      | \$5,911,720.00                          | \$4,811,706.00                |

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 11 - (continued)**

**A. Public Employees' Retirement System (PERS) (cont'd)**

Pension Plan Fiduciary Net Position - PERS - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

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

Benefits Provided - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

Contributions - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

The Borough's contributions to PFRS amounted to \$491,183.00 for 2016, \$475,571.00 for 2015 and \$423,512.00 for 2014.

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

Borough contributions to PFRS amounted to \$491,183.00 for the year ended December 31, 2016. During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$36,635.00 to the PFRS for normal pension benefits on behalf of the Borough, which is less than the contractually required contribution of \$122,118.00.

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

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 11 - (continued)**

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

Pension Liabilities and Pension Expense - At December 31, 2016, the Borough's liability for its proportionate share of the net pension liability was \$11,385,617.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the Borough's proportion was 0.0596025764%, which was a decrease of 0.0136465533% from its proportion measured as of June 30, 2015. The Borough has rolled forward the net pension liability to December 31, 2016 with no adjustments.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$956,109.00 as of December 31, 2016. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the State's proportion was 0.0596025764%, which was a decrease of 0.0136465533% from its proportion measured as of June 30, 2015 which is the same proportion as the Borough's.

|   |                        |
|---|------------------------|
| Borough's Proportionate Share of the Net Pension Liability                              | \$11,385,617.00        |
| State's Proportionate Share of the Net Pension Liability Associated<br>with the Borough | <u>956,109.00</u>      |
| Total Net Pension Liability   | <u>\$12,341,726.00</u> |

For the year ended December 31, 2016, the Borough recognized total pension expense of \$491,183.00.

Actuarial Assumptions - The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

|                           |                            |
|---------------------------|----------------------------|
| Inflation Rate            | 3.08%                      |
| Salary Increases:         |                            |
| Through 2026              | 2.10% - 8.98% based on age |
| Thereafter                | 3.10% - 9.98% based on age |
| Investment Rate of Return | 7.65%                      |

Post-retirement mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales for male service retirements and beneficiaries. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales for female service retirements and beneficiaries.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**Note 11 - (continued)**

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 is summarized in the table below:

| <u>Asset Class</u>          | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Cash                        | 5.00%                    | 0.87%   |
| U.S. Treasuries             | 1.50%                    | 1.74%   |
| Investment Grade Credit     | 8.00%                    | 1.79%   |
| Mortgages                   | 2.00%                    | 1.67%   |
| High Yield Bonds            | 2.00%                    | 4.56%   |
| Inflation-Indexed Bonds     | 1.50%                    | 3.44%   |
| Broad U.S. Equities         | 26.00%                   | 8.53%   |
| Developed Foreign Equities  | 13.25%                   | 6.83%   |
| Emerging Market Equities    | 6.50%                    | 9.95%   |
| Private Equity              | 9.00%                    | 12.40%  |
| Hedge Funds/Absolute Return | 12.50%                   | 4.68%   |
| Real Estate (Property)      | 2.00%                    | 6.91%   |
| Commodities                 | 0.50%                    | 5.45%   |
| Global Debt ex U.S.         | 5.00%                    | -0.25%  |
| REIT                        | 5.25%                    | 5.63%   |

Discount Rate - PFRS - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Borough) to Changes in the Discount Rate - The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Borough) as of December 31, 2016 calculated using the discount rate as disclosed below, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|   | <u>Year Ended December 31, 2016</u> |  |                                |
|---|-------------------------------------|--|--------------------------------|
|   | <u>1% Decrease<br/>(4.55%)</u>      | <u>Current Discount Rate<br/>(5.55%)</u> | <u>1% Increase<br/>(6.55%)</u> |
| Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough | \$15,689,506.00                     | \$12,341,726.00                          | \$9,612,909.00                 |

Pension Plan Fiduciary Net Position - PFRS - Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

**Borough of Deal, NJ**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2016**

**NOTE 12 RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Borough maintains commercial insurance coverage for property, liability, accident and surety bonds.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. A schedule of the Unemployment Compensation Fund can be found in the Trust Fund section of the Financial Statements.

**NOTE 13 DEFERRED COMPENSATION PROGRAM**

The Borough offers its employees a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code of 1986, as amended. The deferred compensation is not available to employees or beneficiaries until termination of employment, retirement, death or occurrence of an unforeseeable emergency. Earnings of the Plan and contributions by employees are invested and are exempt from income taxes until distributed to the participating employees.

The "Small Business Job Protection Act of 2000" changed Section 457 of the Federal Internal Revenue Code to require that all funds deferred be held in trust, custodial account or annuity contract for the exclusive benefit of the plan participants and their beneficiaries. The plan assets would not be subject to the employer's creditors.

This requirement has been translated into New Jersey law with an amendment to N.J.S.A.43:15B-5 which now requires that the funds be held in trust, custodial account or annuity contract for the exclusive benefit of participating employees and their beneficiaries. This condition applies to all plans implemented subsequent to August 20, 1999. For plans in existence prior to August 20, 2000, the local government units had until January 1, 2001 to implement the "exclusive benefit" requirement of the Code revisions. However, until the revisions were made, the assets deferred were still subject to the local government's general creditors.

Plan assets and the related liability are not included in the balance sheet of the trust fund of the Borough.

The plan administrator and amount of funds are as follows:

|   | <u>2016</u>  | <u>2015</u>    |
|---|--------------|----------------|
| The Variable Annuity Life Insurance Company (VALIC) | \$703,928.49 | \$1,006,238.69 |

**NOTE 14 CONTINGENT OR OTHER LIABILITIES**

There are no liabilities, contingent or otherwise, which would not be covered by appropriation or insurance protection except as follows: The contingent liability for unused sick, vacation time and compensated absences is \$345,096.14 for December 31, 2016 and \$514,646.59 for 2015. The amounts due have not been fully funded. Payments are made as required. The above amounts are not required to be recorded on the financial statements per requirements prescribed by the Division of Local Government Services, Division of Community Affairs, State of New Jersey.

**NOTE 15 SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through June 15, 2017, the date which the financial statements were available to be issued and no other items were noted for disclosure.

## **SUPPLEMENTARY INFORMATION**

**Borough of Deal, NJ**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

| <u>Names</u>         | <u>Title</u>   | <u>Corporate<br/>Surety</u> |
|----------------------|--|-----------------------------|
| Morris Ades          | Mayor and Commissioner - Director of Public Affairs and Public Safety (Through May 26, 2016); Class I Member of Planning Board; Commissioner - Director of Revenue and Finance (Elected May 27, 2016)  |                             |
| Samuel M. Cohen      | Mayor and Commissioner - Director of Public Affairs and Pubic Safety (Elected May 27, 2016); Commissioner - Director of Revenue and Finance (Through May 26, 2016); Class III Member of Planning Board   |                             |
| Virginia S. Wiener   | Commissioner - Department of Public Works, Parks and Public Property (Through May 26, 2016)  |                             |
| David Simhon         | Commissioner - Department of Public Works, Parks and Public Property (Elected May 27, 2016)  |                             |
| Stephen R. Carasia   | Borough Clerk & Borough Administrator, Zoning Officer and Registrar of Vital Statistics; Public Agency Compliance Officer; Officer for Searches for Municipal Improvements Authorized but not Issued; Monmouth County Community Development Program Representative; Municipal Cross-Acceptance Representative; Municipal Liaison to the Monmouth County Transportation Council |                             |
| Thomas X. Seaman     | Chief Financial Officer  |                             |
| Michael W. Egan      | Deputy Borough Clerk; Secretary to Planning/Zoning Board; Deputy Registrar of Vital Statistics; Monmouth County Community Development Program Alternate  |                             |
| Theresa M. Davis     | Tax Collector - Treasurer; Tax Search Officer - *Pol. #MEL01160187<br>Examiner for Unpaid Tax Liens  | 1,000,000.00                |
| Alison Gavin         | Administrative Clerk   |                             |
| Peter J. Barnett     | Tax Assessor   |                             |
| William Doolittle    | Building Sub-Code Official   |                             |
| Joseph Ciccone       | Building Inspector; Construction Code Official and<br>Fire Sub-Code Official   |                             |
| Robert Simmen        | Fire Official and Housing Inspector  |                             |
| Martin Barger        | Borough Attorney   |                             |
| Dilworth Paxson, LLP | Bond Counsel (Through August 31, 2016)   |                             |
| Meghan Bennett Clark | Bond Counsel (Appointed September 1, 2016)   |                             |



**Borough of Deal, NJ**

**OFFICIALS IN OFFICE AND SURETY BONDS - (Continued)**

| <u>Names</u>        | <u>Title</u>   | <u>Corporate<br/>Surety</u> |
|---------------------|--|-----------------------------|
| Paul Fernicola      | Planning/Zoning Board Attorney   |                             |
| Jason Shamy         | Prosecutor   |                             |
| Scott J. Basen      | Borough Magistrate - *Pol. #MON160801-88<br>& MEL01160187  | 1,000,000.00                |
| Peter Avakian       | Borough Engineer; Municipal Cross-Acceptance Representative  |                             |
| Jason Fazio         | Superintendent of Public Works (Through November 31, 2016);<br>Deputy Emergency Management Coordinator |                             |
| Joseph Santorelli   | Superintendent of Public Works (Appointed December 1, 2016)  |                             |
| Brian Egan          | Deputy Emergency Management Coordinator  |                             |
| John Anastasia      | Superintendent of Beaches  |                             |
| Joseph A. Martone   | Operator of Deal Pump Station  |                             |
| Elliot Chera        | Deal Lake Commission Representative  |                             |
| John Palmer         | Plumbing Sub-Code Official   |                             |
| Nick A. Fabiano Jr. | Electrical Sub-Code Official (Through May 26, 2016)  |                             |
| Eric Sudia          | Electrical Sub-Code Official (Appointed May 27, 2016)  |                             |
| Eric Casriel        | Public Defender  |                             |
| Ronen Neuman        | Chief of Police; Emergency Management Coordinator; Custodian<br>of Records for Police Department       |                             |
| Matthew Tomo        | Manager of Conover Pavilion - 2016 Season  |                             |
| Carrie Sniffen      | Manager of Deal Casino - 2016 Season   |                             |
| Robin K. Deibert    | Deputy Court Administrator - *Pol. #MON160801-88 & MEL01160187   | 1,000,000.00                |
| Mary Ellen Supon    | Court Administrator - *Pol.#MON160801-88 & MEL01160187   | 1,000,000.00                |

\* Public Employee Dishonesty & Faithful Performance Coverage is provided by the Monmouth County Municipal Joint Insurance Fund & the Municipal Excess Liability Joint Insurance Fund.

All surety bonds were properly executed.

**Borough of Deal, NJ**  
**Current Fund**  
**Schedule of Current Fund Cash and Investments**  
**Collector and Treasurer**

A-4

|   | <u>Ref.</u> | <u>Regular</u>         |
|---|-------------|------------------------|
| <b><u>Balance</u></b> - December 31, 2015                                 | A           | 3,662,701.05           |
| <b><u>Increased by</u></b>  |             |                        |
| Prepaid Taxes   | A-25        | 684,121.64             |
| Shared Police Services - Borough of Interlaken                            | A-2         | 576,567.96             |
| Shared Police Services - Village of Loch Arbour                           | A-2         | 153,841.00             |
| Shared Municipal Court Services - Village of Loch Arbour                  | A-2         | 8,979.00               |
| Shared Public Works Services - Village of Loch Arbour                     | A-2         | 114,856.00             |
| Interest and Costs on Taxes   | A-2         | 58,849.91              |
| Miscellaneous Revenue Not Anticipated                                     | A-2         | 692,244.23             |
| Senior Citizens and Veterans Deductions                                   | A-7         | 9,000.00               |
| Taxes Receivable  | A-8         | 13,205,926.24          |
| Revenue Accounts Receivable   | A-11        | 2,826,164.70           |
| Change and Petty Cash Funds   | A-6         | 1,800.00               |
| Prepaid Beach Revenues  | A-26        | 292,225.00             |
| Tax Overpayments  | A-14        | 45,268.66              |
| Reserve for Municipal Court Alcohol, Education<br>and Rehabilitation Fund | A-30:A-4    | 1,299.28               |
| Reserve for Drunk Driving Enforcement                                     | A-30:A-4    | 4,300.00               |
| Due To or From Sewer Operating Fund                                       | D-30:A-24   | 176,089.22             |
| Due To or From General Capital Fund                                       | A-23        | 435.35                 |
| Reserve for Clean Communities Grant                                       | A-30:A-4    | 8,151.10               |
| Reserve for Body Armor Fund   | A-30:A-4    | 1,863.38               |
| Reserve for Recycling Tonnage Grant                                       | A-4         | 5,067.83               |
| Reserve for Click It or Ticket Grant                                      | A-4         | 240.00                 |
| Due from State of New Jersey  | A           | 33,635.07              |
| Grant Receivable - Assistance to Firefighters Grant                       | A-28        | 57,501.00              |
| Contra  | A-4         | <u>164,002.04</u>      |
|   |             | <u>19,122,428.61</u>   |
|   |             | 22,785,129.66          |
| <b><u>Decreased by</u></b>  |             |                        |
| County Taxes  | A-18        | 6,131,665.75           |
| Local District School Taxes   | A-19        | 1,967,702.00           |
| 2015 Appropriation Reserves   | A-13        | 258,372.37             |
| Change and Petty Cash Funds   | A-6         | 1,800.00               |
| Appropriations - 2016   | A-3         | 7,732,440.26           |
| Due To or From General Capital Fund                                       | A-23:C-9    | 1,248,171.65           |
| Assistance to Firefighters Grant  | A-4:A-29    | 54,487.90              |
| Reserve for Body Armor  | A-4:A-29    | 1,809.30               |
| Refund of Tax Overpayments  | A-14        | 24,365.26              |
| Refund of Prior Year Taxes  | A-1         | 2,195.55               |
| Municipal Court, Alcohol, Education and<br>Rehabilitation Fund            | A-4:A-29    | 1,500.00               |
| Due To or From Sewer Operating Fund                                       | D-30:A-24   | 275,093.15             |
| Over The Limit Under Arrest Grant   | A-4:A-29    | 3,940.00               |
| Clean Communities Grant   | A-4:A-29    | 8,257.58               |
| Drunk Driving Enforcement Fund  | A-4:A-29    | 2,047.50               |
| Contra  | A-4         | <u>164,002.04</u>      |
|   |             | <u>17,877,850.31</u>   |
| <b><u>Balance</u></b> - December 31, 2016                                 | A           | <u>\$ 4,907,279.35</u> |

**Borough of Deal, NJ**  
**Current Fund**  
**Schedule of Change and Petty Cash Funds**

A-6

|                              | <u>Balance</u><br>Dec. 31<br><u>2015</u> | <u>Received</u><br>From<br><u>Treasurer</u> | <u>Returned</u><br>To<br><u>Treasurer</u> | <u>Balance</u><br>Dec. 31<br><u>2016</u> |
|------------------------------|--|---|---|--|
| <b><u>Office</u></b>         |  |   |   |  |
| Beach Club - Change          | .00                                      | 1,800.00                                    | 1,800.00                                  | .00                                      |
| Court Administrator - Change | 100.00                                   | .00   | .00                                       | 100.00                                   |
| Municipal Clerk - Change     | 50.00                                    | .00   | .00                                       | 50.00                                    |
| Finance - Change             | <u>100.00</u>                            | <u>.00</u>                                  | <u>.00</u>                                | <u>100.00</u>                            |
|                              | <u>\$250.00</u>                          | <u>1,800.00</u>                             | <u>1,800.00</u>                           | <u>250.00</u>                            |
| <u>Ref.</u>                  | A  | A-4   | A-4                                       | A  |

**Schedule of Due to State of New Jersey**

A-7

|   |             |                                    |
|---|-------------|------------------------------------|
|   | <u>Ref.</u> |                                    |
| <b><u>Balance</u></b> - December 31, 2015   | A           | 1,750.00                           |
| <b><u>Increased by</u></b>                  |             |                                    |
| Received in Cash from State                 | A-4         | <u>9,000.00</u><br>10,750.00       |
| <b><u>Decreased by</u></b>                  |             |                                    |
| Senior Citizens Deductions Per Tax Billings | A-8         | 1,500.00                           |
| Veterans' Deductions Per Tax Billings       | A-8         | <u>7,500.00</u><br><u>9,000.00</u> |
| <b><u>Balance</u></b> - December 31, 2016   | A           | \$ <u>1,750.00</u>                 |

Borough of Deal, NJ  
Current Fund  
Schedule of Taxes Receivable and Analysis of Property Tax Levy

A-8

| Year        | Balance<br>Dec. 31<br>2015 | Levied 2016          | Added &<br>Omitted<br>Taxes | Collected            |                   | State Share of<br>Veterans' - Senior<br>Citizens' Exemptions | Overpayments<br>Applied | Cancelled        | Transferred<br>To Tax<br>Title Liens | Balance<br>Dec. 31<br>2016 |
|-------------|----------------------------|----------------------|-----------------------------|----------------------|-------------------|--|-------------------------|------------------|--------------------------------------|----------------------------|
|             |                            |                      |                             | 2016                 | 2015              |  |                         |                  |                                      |                            |
| 2015        | 252,210.49                 | .00                  | 28,550.19                   | 277,692.61           | .00               | .00  | .00                     | 3,068.07         | .00                                  | .00                        |
| 2016        | .00                        | <u>14,016,967.38</u> | .00                         | <u>12,928,233.63</u> | <u>676,771.62</u> | <u>9,000.00</u>  | <u>32,813.31</u>        | <u>18,074.31</u> | <u>240.46</u>                        | <u>351,834.05</u>          |
|             | <u>\$252,210.49</u>        | <u>14,016,967.38</u> | <u>28,550.19</u>            | <u>13,205,926.24</u> | <u>676,771.62</u> | <u>9,000.00</u>  | <u>32,813.31</u>        | <u>21,142.38</u> | <u>240.46</u>                        | <u>351,834.05</u>          |
| <u>Ref.</u> | A                          | A-8                  |                             | A-4                  | A-25              | A-7  | A-14                    |                  | A                                    | A                          |

-40-

Tax Yield

Ref.

|                       |     |                  |
|-----------------------|-----|------------------|
| General Property Tax  |     | 13,942,057.32    |
| Business Property Tax |     | 5,424.62         |
| Added Taxes           | A-8 | <u>69,485.44</u> |
|                       | A-8 |                  |

\$14,016,967.38

Tax Levy

|  |          |                     |
|--|----------|---------------------|
| Local District School Tax (Abstract)           | A-19     | 1,967,702.00        |
| County Tax (Abstract)                          | A-18     | 5,441,831.48        |
| County Library Tax (Abstract)                  | A-18     | 373,743.04          |
| County Open Space Tax (Abstract)               | A-18     | 312,658.71          |
| County Taxes - Added                           | A-8:A-18 | <u>37,547.33</u>    |
|  |          | 8,133,482.56        |
| Local Tax for Municipal Purposes (Abstract)    | A-2      | 5,838,223.50        |
| Local Tax for Municipal Purposes Added/Omitted | A-8      | 31,938.11           |
| Excess in Yield                                | A-8      | <u>13,323.21</u>    |
|  |          | <u>5,883,484.82</u> |

\$14,016,967.38

**Borough of Deal, NJ**  
**Current Fund**  
**Schedule of Revenue Accounts Receivable**

A-11

|                                   | Ref. | Balance<br>Dec. 31<br>2015 | 2016<br>Accrued     | 2016<br>Collected     | Balance<br>Dec. 31<br>2016 |
|-----------------------------------|------|----------------------------|---------------------|-----------------------|----------------------------|
| <b><u>Anticipated Revenue</u></b> |      |                            |                     |                       |                            |
| Alcoholic Beverage Licenses       | A-2  | .00                        | 5,186.00            | 5,186.00              | .00                        |
| Other Licenses:                   |      |                            |                     |                       |                            |
| Mercantile Licenses               | A-2  | .00                        | 4,800.00            | 4,800.00              | .00                        |
| Marriage Licenses                 | A-2  | .00                        | 197.00              | 197.00                | .00                        |
| Raffle Licenses                   | A-2  | .00                        | 75.00               | 75.00                 | .00                        |
| Towing Licenses                   | A-2  | .00                        | 750.00              | 750.00                | .00                        |
| Fees and Permits                  |      |                            |                     |                       |                            |
| Uniform Construction Code         |      |                            |                     |                       |                            |
| Fire Subcode                      | A-2  | .00                        | 7,573.00            | 7,573.00              | .00                        |
| Miscellaneous                     | A-2  | .00                        | 17,386.00           | 17,386.00             | .00                        |
| Electrical Permits                | A-2  | .00                        | 38,082.00           | 38,082.00             | .00                        |
| Building Permits                  | A-2  | .00                        | 82,766.00           | 82,766.00             | .00                        |
| Plumbing and Heating Permits      | A-2  | .00                        | 38,136.00           | 38,136.00             | .00                        |
| Demolition Permits                | A-2  | .00                        | 1,080.00            | 1,080.00              | .00                        |
| Certificate of Occupancy          | A-2  | .00                        | 31,106.00           | 31,106.00             | .00                        |
| Other                             |      |                            |                     |                       |                            |
| Steno Fees                        | A-2  | .00                        | 5,750.00            | 5,750.00              | .00                        |
| Dumpster Permits                  | A-2  | .00                        | 1,350.00            | 1,350.00              | .00                        |
| Variance Fees                     | A-2  | .00                        | 2,700.00            | 2,700.00              | .00                        |
| Zoning Permits                    | A-2  | .00                        | 542.00              | 542.00                | .00                        |
| Sign Permits                      | A-2  | .00                        | 70.00               | 70.00                 | .00                        |
| Firearm Permits                   | A-2  | .00                        | 62.00               | 62.00                 | .00                        |
| Municipal Court - Fines and Costs | A-2  | 6,115.04                   | 205,582.52          | 202,495.41            | 9,202.15                   |
| Interest on Investments           | A-2  | .00                        | 14,801.21           | 14,801.21             | .00                        |
| Energy Receipts Tax               | A-2  | .00                        | 455,315.00          | 455,315.00            | .00                        |
| Beach Revenues                    | A-2  | .00                        | 2,174,055.08        | 2,174,055.08          | .00                        |
| Revenues not Anticipated:         |      |                            |                     |                       |                            |
| Cable TV Fees                     | A-2  | <u>9,624.61</u>            | <u>10,341.66</u>    | <u>9,624.61</u>       | <u>10,341.66</u>           |
|                                   |      | <u>\$15,739.65</u>         | <u>3,097,706.47</u> | <u>3,093,902.31</u>   | <u>19,543.81</u>           |
|                                   | Ref. | A                          |                     |                       | A                          |
| Miscellaneous Revenue:            |      |                            |                     |                       |                            |
| Not Anticipated                   | A-2  |                            |                     | 9,624.61              |                            |
| Cash                              | A-4  |                            |                     | 2,826,164.70          |                            |
| Prepaid Beach Revenues            | A-26 |                            |                     | <u>258,113.00</u>     |                            |
|                                   |      |                            |                     | <u>\$3,093,902.31</u> |                            |

**Schedule of Deferred Charges**

A-12

|   | Ref. | Balance<br>Dec. 31<br>2015 | Add In<br>2016 | Raised<br>In 2016<br>Budget | Balance<br>Dec. 31<br>2016 |
|---|------|----------------------------|----------------|-----------------------------|----------------------------|
| Overexpenditure of Appropriation Reserves |      | <u>\$15,213.70</u>         | <u>.00</u>     | <u>15,213.70</u>            | <u>.00</u>                 |
|   | Ref. | A                          |                | A-3                         | A                          |

**Borough of Deal, NJ**  
**Current Fund**  
**Schedule of 2015 Appropriation Reserves**

A-13  
(Page 1 of 3)

|  | <u>Balance<br/>Dec. 31<br/>2015</u> | <u>Balance<br/>After<br/>Transfers</u> | <u>Paid<br/>In 2016</u> | <u>Balance<br/>Lapsed</u> | <u>Over-<br/>Expended</u> |
|--|-------------------------------------|--|-------------------------|---------------------------|---------------------------|
| <b><u>General Government Functions</u></b>                   |                                     |  |                         |                           |                           |
| Administrative and Executive                                 |                                     |  |                         |                           |                           |
| Salaries and Wages   | 180.27                              | 180.27                                 | .00                     | 180.27                    | .00                       |
| Other Expenses   | 12,545.61                           | 52,545.61                              | 38,800.30               | 13,745.31                 | .00                       |
| Director's Office - Public Affairs &<br>Public Safety        |                                     |  |                         |                           |                           |
| Other Expenses   | 1,105.00                            | 1,105.00                               | 600.00                  | 505.00                    | .00                       |
| Director's Office - Revenue & Finance                        |                                     |  |                         |                           |                           |
| Salaries and Wages   | .92                                 | .92                                    | .00                     | .92                       | .00                       |
| Other Expenses   | 500.00                              | 500.00                                 | 100.00                  | 400.00                    | .00                       |
| Director's Office - Public Works, Parks<br>& Public Property |                                     |  |                         |                           |                           |
| Salaries and Wages   | .92                                 | .92                                    | .00                     | .92                       | .00                       |
| Other Expenses   | 500.00                              | 500.00                                 | .00                     | 500.00                    | .00                       |
| Municipal Clerk  |                                     |  |                         |                           |                           |
| Other Expenses   | 4,319.02                            | 4,319.02                               | 690.75                  | 3,628.27                  | .00                       |
| Elections  |                                     |  |                         |                           |                           |
| Other Expenses   | 3,805.33                            | 3,805.33                               | .00                     | 3,805.33                  | .00                       |
| Financial Administration                                     |                                     |  |                         |                           |                           |
| Salaries and Wages   | 85.04                               | 85.04                                  | .00                     | 85.04                     | .00                       |
| Other Expenses   | 778.00                              | 778.00                                 | 55.35                   | 722.65                    | .00                       |
| Audit Services   |                                     |  |                         |                           |                           |
| Other Expenses   | 4,330.00                            | 4,330.00                               | .00                     | 4,330.00                  | .00                       |
| Collection of Taxes  |                                     |  |                         |                           |                           |
| Salaries and Wages   | 785.68                              | 785.68                                 | .00                     | 785.68                    | .00                       |
| Other Expenses   | 1,606.88                            | 1,606.88                               | .00                     | 1,606.88                  | .00                       |
| Assessment of Taxes  |                                     |  |                         |                           |                           |
| Salaries and Wages   | 680.00                              | 680.00                                 | .00                     | 680.00                    | .00                       |
| Other Expenses   | 25,542.85                           | 25,542.85                              | 9,869.50                | 15,673.35                 | .00                       |
| Legal Services and Costs                                     |                                     |  |                         |                           |                           |
| Other Expenses   | 654.00                              | 654.00                                 | 653.00                  | 1.00                      | .00                       |
| Engineering Services and Costs                               |                                     |  |                         |                           |                           |
| Other Expenses   | 2,167.50                            | 2,167.50                               | 2,166.50                | 1.00                      | .00                       |
| Human Resources  |                                     |  |                         |                           |                           |
| Other Expenses   | 1.30                                | 1.30                                   | .00                     | 1.30                      | .00                       |
| <b><u>Land Use Administration</u></b>                        |                                     |  |                         |                           |                           |
| Planning Board   |                                     |  |                         |                           |                           |
| Salaries and Wages   | 45.60                               | 45.60                                  | .00                     | 45.60                     | .00                       |
| Other Expenses   | 2,750.70                            | 2,750.70                               | .00                     | 2,750.70                  | .00                       |
| Zoning Board   |                                     |  |                         |                           |                           |
| Salaries and Wages   | 40.00                               | 40.00                                  | .00                     | 40.00                     | .00                       |
| Other Expenses   | 3,380.00                            | 3,380.00                               | .00                     | 3,380.00                  | .00                       |
| <b><u>Insurance</u></b>                                      |                                     |  |                         |                           |                           |
| General Liability  | 3,576.64                            | 3,576.64                               | .00                     | 3,576.64                  | .00                       |
| Workers Compensation   | 7,334.29                            | 7,334.29                               | .00                     | 7,334.29                  | .00                       |
| Employee Group Health  | 22,079.48                           | 22,079.48                              | .00                     | 22,079.48                 | .00                       |
| Health Benefit Waiver  | 1,532.89                            | 1,532.89                               | .00                     | 1,532.89                  | .00                       |

**Borough of Deal, NJ**  
**Current Fund**  
**Schedule of 2015 Appropriation Reserves**

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|   | <u>Balance<br/>Dec. 31<br/>2015</u> | <u>Balance<br/>After<br/>Transfers</u> | <u>Paid<br/>In 2016</u> | <u>Balance<br/>Lapsed</u> | <u>Over-<br/>Expended</u> |
|---|-------------------------------------|--|-------------------------|---------------------------|---------------------------|
| <b><u>Public Safety Functions</u></b>             |                                     |  |                         |                           |                           |
| Police  |                                     |  |                         |                           |                           |
| Salaries and Wages                                | 140,759.52                          | 140,759.52                             | 62,009.65               | 78,749.87                 | .00                       |
| Other Expenses                                    | 62,663.19                           | 62,663.19                              | 46,988.66               | 15,674.53                 | .00                       |
| Emergency Management Services                     |                                     |  |                         |                           |                           |
| Other Expenses                                    | 2,500.00                            | 2,500.00                               | .00                     | 2,500.00                  | .00                       |
| First Aid Organizations Contribution              | 4,226.00                            | 4,226.00                               | .00                     | 4,226.00                  | .00                       |
| Fire  |                                     |  |                         |                           |                           |
| Salaries and Wages                                | 1,875.75                            | 1,875.75                               | .00                     | 1,875.75                  | .00                       |
| Other Expenses                                    |                                     |  |                         |                           |                           |
| Fire Hydrant Service                              | 7,267.50                            | 7,267.50                               | 6,765.00                | 502.50                    | .00                       |
| Miscellaneous Other Expenses                      | 727.44                              | 727.44                                 | 15.92                   | 711.52                    | .00                       |
| Municipal Prosecutor                              |                                     |  |                         |                           |                           |
| Salaries and Wages                                | 268.88                              | 268.88                                 | .00                     | 268.88                    | .00                       |
| Other Expenses                                    | 300.00                              | 300.00                                 | .00                     | 300.00                    | .00                       |
| <b><u>Public Works Functions</u></b>              |                                     |  |                         |                           |                           |
| Streets and Roads                                 |                                     |  |                         |                           |                           |
| Road Repairs and Maintenance                      |                                     |  |                         |                           |                           |
| Salaries and Wages                                | 37,352.25                           | 37,352.25                              | 15,000.00               | 22,352.25                 | .00                       |
| Other Expenses                                    | 11,000.53                           | 8,550.53                               | 7,299.50                | 1,251.03                  | .00                       |
| Traffic Signal Maintenance                        |                                     |  |                         |                           |                           |
| Other Expenses                                    | 559.80                              | 3,009.80                               | 2,982.13                | 27.67                     | .00                       |
| Garbage & Trash Removal                           |                                     |  |                         |                           |                           |
| Salaries and Wages                                | 11,706.23                           | 11,706.23                              | .00                     | 11,706.23                 | .00                       |
| Other Expenses                                    | 2,073.61                            | 2,073.61                               | 162.31                  | 1,911.30                  | .00                       |
| Public Buildings and Grounds                      |                                     |  |                         |                           |                           |
| Other Expenses                                    | 3,669.12                            | 3,669.12                               | 516.85                  | 3,152.27                  | .00                       |
| Vehicle Maintenance                               |                                     |  |                         |                           |                           |
| Other Expenses                                    | 267.73                              | 267.73                                 | 67.49                   | 200.24                    | .00                       |
| <b><u>Health and Human Services Functions</u></b> |                                     |  |                         |                           |                           |
| Board of Health                                   |                                     |  |                         |                           |                           |
| Other Expenses                                    | 429.25                              | 429.25                                 | 357.25                  | 72.00                     | .00                       |
| Dog Regulation                                    |                                     |  |                         |                           |                           |
| Other Expenses                                    | 1,332.00                            | 1,332.00                               | 1,331.00                | 1.00                      | .00                       |
| Aid to Health Care Facilities                     | 386.00                              | 386.00                                 | .00                     | 386.00                    | .00                       |
| <b><u>Park and Recreation Facilities</u></b>      |                                     |  |                         |                           |                           |
| Recreation  |                                     |  |                         |                           |                           |
| Other Expenses                                    | 1,400.00                            | 1,400.00                               | .00                     | 1,400.00                  | .00                       |
| Parks and Playgrounds                             |                                     |  |                         |                           |                           |
| Other Expenses                                    | 2,000.00                            | 2,000.00                               | .00                     | 2,000.00                  | .00                       |
| Beach Front Recreational Facilities               |                                     |  |                         |                           |                           |
| Salaries and Wages                                | 44,639.06                           | 20,639.06                              | .00                     | 20,639.06                 | .00                       |
| Other Expenses                                    | 40,785.82                           | 64,785.82                              | 36,140.70               | 28,645.12                 | .00                       |
| Municipal Court                                   |                                     |  |                         |                           |                           |
| Salaries and Wages                                | 13,750.27                           | 13,750.27                              | .00                     | 13,750.27                 | .00                       |
| Other Expenses                                    | 5,240.82                            | 5,240.82                               | 612.30                  | 4,628.52                  | .00                       |
| Public Defender                                   |                                     |  |                         |                           |                           |
| Other Expenses                                    | 3,381.25                            | 3,381.25                               | .00                     | 3,381.25                  | .00                       |

**Borough of Deal, NJ**  
**Current Fund**  
**Schedule of 2015 Appropriation Reserves**

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|   | Balance<br>Dec. 31<br><u>2015</u> | Balance<br>After<br>Transfers | Paid<br>In 2016          | Balance<br>Lapsed        | Over-<br>Expended |
|---|-----------------------------------|-------------------------------|--------------------------|--------------------------|-------------------|
| <b><u>Uniform Construction Code-Appropriations Offset</u></b> |                                   |                               |                          |                          |                   |
| <b><u>by Dedicated Revenues (N.J.A.C.5:23-4.17)</u></b>       |                                   |                               |                          |                          |                   |
| Construction Official   |                                   |                               |                          |                          |                   |
| Salaries and Wages  | 10,390.49                         | 10,390.49                     | .00                      | 10,390.49                | .00               |
| Other Expenses  | 3,529.60                          | 3,529.60                      | 114.46                   | 3,415.14                 | .00               |
| Sub-Code Officials  |                                   |                               |                          |                          |                   |
| Plumbing Inspector  |                                   |                               |                          |                          |                   |
| Salaries and Wages  | 640.04                            | 640.04                        | .00                      | 640.04                   | .00               |
| Other Expenses  | 50.00                             | 50.00                         | .00                      | 50.00                    | .00               |
| Fire Sub-Code Official  |                                   |                               |                          |                          |                   |
| Salaries and Wages  | 4.48                              | 4.48                          | .00                      | 4.48                     | .00               |
| Other Expenses  | 250.00                            | 250.00                        | .00                      | 250.00                   | .00               |
| Electrical Inspector  |                                   |                               |                          |                          |                   |
| Salaries and Wages  | 17.04                             | 17.04                         | .00                      | 17.04                    | .00               |
| Other Expenses  | 89.50                             | 89.50                         | .00                      | 89.50                    | .00               |
| <b><u>Utility Expenses and Bulk Purchases</u></b>             |                                   |                               |                          |                          |                   |
| Electricity   | 7,853.94                          | 7,513.94                      | 423.60                   | 7,090.34                 | .00               |
| Street Lighting   | 157.70                            | 157.70                        | 76.73                    | 80.97                    | .00               |
| Telephone   | 6.25                              | 346.25                        | 342.09                   | 4.16                     | .00               |
| Water   | 7,642.33                          | 7,642.33                      | 722.50                   | 6,919.83                 | .00               |
| Gas   | 4,032.30                          | 4,032.30                      | 1,353.55                 | 2,678.75                 | .00               |
| Sewerage Processing and Disposal                              | 1,000.00                          | 1,000.00                      | .00                      | 1,000.00                 | .00               |
| Gasoline  | 70,979.95                         | 30,979.95                     | 1,428.79                 | 29,551.16                | .00               |
| <b><u>Landfill/Solid Waste Disposal Costs</u></b>             | 26,174.87                         | 26,174.87                     | 7,429.44                 | 18,745.43                | .00               |
| <b><u>Contingent</u></b>                                      | 2,344.39                          | 2,344.39                      | .00                      | 2,344.39                 | .00               |
| <b><u>Statutory Expenditures</u></b>                          |                                   |                               |                          |                          |                   |
| Contribution To:  |                                   |                               |                          |                          |                   |
| Public Employees' Retirement System                           | 20,000.00                         | 20,000.00                     | 13,297.05                | 6,702.95                 | .00               |
| Social Security System  | 9,927.98                          | 9,927.98                      | .00                      | 9,927.98                 | .00               |
| State Disability Insurance                                    | 387.80                            | 387.80                        | .00                      | 387.80                   | .00               |
| <b><u>Operations - Excluded From "CAPS"</u></b>               |                                   |                               |                          |                          |                   |
| Shared Service Agreements                                     |                                   |                               |                          |                          |                   |
| Police Mandated 911 Emergency Service                         | 2,990.90                          | 2,990.90                      | .00                      | 2,990.90                 | .00               |
| Ocean Township Tactical Team Fee - SWAT                       | 50.00                             | 50.00                         | .00                      | 50.00                    | .00               |
| Reverse 911 Emergency Service                                 | 326.52                            | 326.52                        | .00                      | 326.52                   | .00               |
| Department of Public Affairs & Public Safety                  |                                   |                               |                          |                          |                   |
| Police Services - Borough of Interlaken                       | 1.86                              | 1.86                          | .00                      | 1.86                     | .00               |
| Police Services - Village of Loch Arbour                      | 26.38                             | 26.38                         | .00                      | 26.38                    | .00               |
| Municipal Court Services - Village of Loch Arbour             | 9.71                              | 9.71                          | .00                      | 9.71                     | .00               |
| <b><u>Total General Appropriations</u></b>                    | <b><u>\$669,773.97</u></b>        | <b><u>669,773.97</u></b>      | <b><u>258,372.37</u></b> | <b><u>411,401.60</u></b> | <b><u>.00</u></b> |
|   | Ref.                              |                               | A-4                      | A-1                      |                   |
| Appropriation Reserves  | Λ                                 | 669,773.97                    |                          |                          |                   |
| Reserve for Encumbrances                                      | A                                 | .00                           |                          |                          |                   |
|   |                                   | <u>\$669,773.97</u>           |                          |                          |                   |



**Borough of Deal, NJ**  
**Current Fund**  
**Schedule of Tax Overpayments**

A-14

|   | <u>Ref.</u> |                  |                     |
|---|-------------|------------------|---------------------|
| <b><u>Balance</u></b> - December 31, 2015 | A           |                  | 58,351.69           |
| <b><u>Increased by</u></b>                |             |                  |                     |
| Overpayments in 2016                      | A-4         |                  | <u>45,268.66</u>    |
|   |             |                  | 103,620.35          |
| <b><u>Decreased by</u></b>                |             |                  |                     |
| Refunds                                   | A-4         | 24,365.26        |                     |
| Application to Taxes Receivable           | A-8         | <u>32,813.31</u> |                     |
|   |             |                  | <u>57,178.57</u>    |
| <b><u>Balance</u></b> - December 31, 2016 | A           |                  | \$ <u>46,441.78</u> |

**Schedule of County Taxes Payable**

A-18

|   | <u>Ref.</u> |                  |                     |
|---|-------------|------------------|---------------------|
| <b><u>Balance</u></b> - December 31, 2015 | A           |                  | 3,432.52            |
| <b><u>Increased by</u></b>                |             |                  |                     |
| 2016 Tax Levy:                            |             |                  |                     |
| General County Tax                        | A-8         | 5,441,831.48     |                     |
| County Library Tax                        | A-8         | 373,743.04       |                     |
| County Open Space Tax                     | A-8         | 312,658.71       |                     |
| 2016 Added County Taxes                   | A-8         | 37,547.33        |                     |
| 2015 Added & Omitted Added County Taxes   | A-1         | <u>16,480.08</u> |                     |
|   |             |                  | <u>6,182,260.64</u> |
|   |             |                  | 6,185,693.16        |
| <b><u>Decreased by</u></b>                |             |                  |                     |
| Payments                                  | A-4         |                  | <u>6,131,665.75</u> |
| <b><u>Balance</u></b> - December 31, 2016 | A           |                  | \$ <u>54,027.41</u> |

**Borough of Deal, NJ**  
**Current Fund**  
**Schedule of Local District School Taxes Payable**

A-19

|   | <u>Ref.</u> |                   |                      |
|---|-------------|-------------------|----------------------|
| <b><u>Balance</u></b> - December 31, 2015 |             |                   |                      |
| School Tax Payable                        | A           | 752,618.46        |                      |
| School Tax Deferred                       |             | <u>231,233.50</u> |                      |
|   |             |                   | 983,851.96           |
| <b><u>Increased by</u></b>                |             |                   |                      |
| School Tax Levy - Fiscal Year             |             |                   |                      |
| July 1, 2016 to June 30, 2017             | A-8         |                   | <u>1,967,702.00</u>  |
|   |             |                   | 2,951,553.96         |
| <b><u>Decreased by</u></b>                |             |                   |                      |
| Payment - 2016                            | A-4         |                   | <u>1,967,702.00</u>  |
| School Tax Payable                        | A           | 752,618.46        |                      |
| School Tax Deferred                       |             | <u>231,233.50</u> |                      |
| <b><u>Balance</u></b> - December 31, 2016 |             |                   | \$ <u>983,851.96</u> |

**2016 Liability for Local District School Tax**

|                                       | <u>Ref.</u> |  |                        |
|---------------------------------------|-------------|--|------------------------|
| Net Tax Paid                          | A-19        |  | 1,967,702.00           |
| Tax Payable - December 31, 2016       | A-19        |  | <u>752,618.46</u>      |
|                                       |             |  | 2,720,320.46           |
| Less: Tax Payable - December 31, 2015 | A-19        |  | <u>752,618.46</u>      |
| Amount Charged to 2016 Operations     | A-1         |  | \$ <u>1,967,702.00</u> |

**Schedule of Due To or From General Capital Fund**

A-23

|  | <u>Ref.</u>  |                     |                     |
|--|--------------|---------------------|---------------------|
| <b><u>Balance</u></b> - December 31, 2015                              | A            |                     | .00                 |
| <b><u>Increased by</u></b>   |              |                     |                     |
| Cash Received from General Capital Fund                                | C-2:C-4:A-23 | 1,116.81            |                     |
| Bond Anticipation Notes Issued by General Capital Fund                 | C-7          | 1,247,736.30        |                     |
| Due to General Capital Fund - Premium on Bond Anticipation Note Issued | C-9:A-4      | <u>435.35</u>       |                     |
|  |              |                     | <u>1,249,288.46</u> |
|  |              |                     | 1,249,288.46        |
| <b><u>Decreased by</u></b>   |              |                     |                     |
| Interest Earned by General Capital Fund                                | C-2:A-23     | 1,116.81            |                     |
| Cash Disbursed to General Capital Fund                                 | A-4:C-2      | <u>1,248,171.65</u> |                     |
|  |              |                     | <u>1,249,288.46</u> |
| <b><u>Balance</u></b> - December 31, 2016                              | A            |                     | \$ <u>.00</u>       |

**Borough of Deal, NJ**  
**Current Fund**  
**Schedule of Due To or From Sewer Operating Fund**

A-24

|   | <u>Ref.</u> |                                 |
|---|-------------|---------------------------------|
| <b><u>Balance</u></b> - December 31, 2015 (Due To Sewer Operating Fund)   | A           | 25,003.93                       |
| <b><u>Increased by</u></b>  |             |                                 |
| Cash Received from Sewer Operating Fund                                   | A-4         | <u>176,089.22</u><br>201,093.15 |
| <b><u>Decreased by</u></b>  |             |                                 |
| Payment of Bond Anticipation Note by Current Fund                         | A-4:D-30    | 174,782.00                      |
| Payment of Note Interest by Current Fund                                  | A-4:D-30    | 1,307.22                        |
| Cash Disbursement to Sewer Operating Fund                                 | A-4:D-30    | <u>99,003.93</u><br>275,093.15  |
| <b><u>Balance</u></b> - December 31, 2016 (Due From Sewer Operating Fund) | A           | \$ <u>74,000.00</u>             |

**Schedule of Prepaid Taxes**

A-25

|   | <u>Ref.</u> |                                   |
|---|-------------|-----------------------------------|
| <b><u>Balance</u></b> - December 31, 2015 | A           | 676,771.62                        |
| <b><u>Increased by</u></b>                |             |                                   |
| Collected in 2016                         | A-4         | <u>684,121.64</u><br>1,360,893.26 |
| <b><u>Decreased by</u></b>                |             |                                   |
| Applied to Taxes Receivable               | A-8         | <u>676,771.62</u><br>             |
| <b><u>Balance</u></b> - December 31, 2016 | A           | \$ <u>684,121.64</u>              |

**Schedule of Prepaid Beach Revenues**

A-26

|   | <u>Ref.</u> |                                 |
|---|-------------|---------------------------------|
| <b><u>Balance</u></b> - December 31, 2015 | A           | 258,113.00                      |
| <b><u>Increased by</u></b>                |             |                                 |
| Collected in 2016                         | A-4         | <u>292,225.00</u><br>550,338.00 |
| <b><u>Decreased by</u></b>                |             |                                 |
| Applied to Beach Revenues                 | A-11        | <u>258,113.00</u><br>           |
| <b><u>Balance</u></b> - December 31, 2016 | A           | \$ <u>292,225.00</u>            |

Borough of Deal, NJ  
Current Fund  
Schedule of Interfunds - Federal and State Grant Fund

A-27

| <u>Fund</u>  | <u>Due From/(To)</u><br><u>Balance</u><br><u>Dec. 31, 2015</u> | <u>Increased</u> | <u>Decreased</u> | <u>Due From/(To)</u><br><u>Balance</u><br><u>Dec. 31, 2016</u> |
|--------------|--|------------------|------------------|--|
| Current Fund | <u>\$57,716.00</u>   | <u>78,182.59</u> | <u>68,927.28</u> | <u>66,971.31</u>   |
| <u>Ref.</u>  | A  | A-28:A-30        | A-29:A-28        | A  |

Schedule of Grants Receivable - Federal and State Grant Fund

A-28

| <u>Grant</u>  | <u>Balance</u><br><u>Dec. 31, 2015</u> | <u>Budget</u><br><u>Revenue</u> | <u>Appropriation</u><br><u>by 40A:4-87</u> | <u>Received</u>  | <u>Cancelled</u> | <u>Transfer from</u><br><u>Unappropriated Reserves</u><br><u>Budget</u> | <u>Appropriation</u><br><u>by 40A:4-87</u> | <u>Balance</u><br><u>Dec. 31, 2016</u> |
|---|--|---------------------------------|--|------------------|------------------|---|--|--|
| Clean Communities Program                                   | .00                                    | 7,127.32                        | .00  | .00              | .00              | 7,127.32  | .00  | .00                                    |
| Recycling Tonnage Grant                                     | .00                                    | 2,788.31                        | .00  | .00              | .00              | 2,788.31  | .00  | .00                                    |
| Body Armor Fund   | .00                                    | 1,931.30                        | .00  | .00              | .00              | 1,931.30  | .00  | .00                                    |
| Municipal Court Alcohol, Education<br>& Rehabilitation Fund | .00                                    | 2,167.43                        | .00  | .00              | .00              | 2,167.43  | .00  | .00                                    |
| Assistance to Firefighters Grant                            | <u>60,376.00</u>                       | <u>.00</u>                      | <u>.00</u>                                 | <u>57,501.00</u> | <u>2,875.00</u>  | <u>.00</u>  | <u>.00</u>                                 | <u>.00</u>                             |
|   | <u>\$60,376.00</u>                     | <u>14,014.36</u>                | <u>.00</u>                                 | <u>57,501.00</u> | <u>2,875.00</u>  | <u>14,014.36</u>  | <u>.00</u>                                 | <u>.00</u>                             |
| <u>Ref.</u>   | A                                      | A-2                             |  | A-4:A-27         | A-1:A-27         | A-30  |  | A                                      |

**Borough of Deal, NJ**  
**Current Fund**  
**Schedule of Appropriated Reserves for Grants - Federal and State Grant Fund**

A-29

| <u>Grant</u>   | <u>Balance</u><br><u>Dec. 31, 2015</u> | <u>Transfer from</u><br><u>2016 Budget Appropriations</u> |  | <u>Expended</u>  | <u>Balance</u><br><u>Dec. 31, 2016</u> |
|--|--|---|--|------------------|--|
|  |  | <u>Budget</u>   | <u>Appropriation</u><br><u>by 40A:4-87</u> |                  |  |
| Municipal Court Alcohol, Education & Rehabilitation Fund | 1,392.19                               | 2,167.43  | .00  | 1,500.00         | 2,059.62                               |
| Recycling Tonnage Grant                                  | 939.25                                 | 2,788.31  | .00  | .00              | 3,727.56                               |
| Clean Communities Program                                | 22,598.66                              | 7,127.32  | .00  | 8,257.58         | 21,468.40                              |
| Body Armor Fund  | 215.66                                 | 1,931.30  | .00  | 1,809.30         | 337.66                                 |
| Click It or Ticket Grant                                 | .20                                    | .00   | .00  | (240.00)         | 240.20                                 |
| Over the Limit Under Arrest                              | 4,044.80                               | .00   | .00  | 3,940.00         | 104.80                                 |
| Secure Our Schools Grant                                 | 399.07                                 | .00   | .00  | .00              | 399.07                                 |
| Post Sandy Planning Assistance                           | 1,065.60                               | .00   | .00  | .00              | 1,065.60                               |
| Drunk Driving Enforcement Fund                           | 21,722.62                              | .00   | .00  | 2,047.50         | 19,675.12                              |
| Assistance to Firefighters Grant                         | <u>54,487.90</u>                       | <u>.00</u>  | <u>.00</u>                                 | <u>54,487.90</u> | <u>.00</u>                             |
|  | <u>\$106,865.95</u>                    | <u>14,014.36</u>  | <u>.00</u>                                 | <u>71,802.28</u> | <u>49,078.03</u>                       |
| <u>Ref.</u>  | A                                      | A-3   |  | A-27:A-4         | A                                      |

**Schedule of Unappropriated Reserves for Grants - Federal and State Grant Fund**

A-30

| <u>Grant</u>   | <u>Balance</u><br><u>Dec. 31, 2015</u> | <u>Received</u>  | <u>Transfer to</u><br><u>Appropriated Reserves</u> |  | <u>Balance</u><br><u>Dec. 31, 2016</u> |
|--|--|------------------|--|--|--|
|  |  |                  | <u>Budget</u>                                      | <u>Appropriation</u><br><u>by 40A:4-87</u> |  |
| Clean Communities Program                                | 7,127.32                               | 8,151.10         | 7,127.32   | .00  | 8,151.10                               |
| Recycling Tonnage Grant                                  | .00                                    | 5,067.83         | 2,788.31   | .00  | 2,279.52                               |
| Body Armor Fund  | 1,931.30                               | 1,863.38         | 1,931.30   | .00  | 1,863.38                               |
| Municipal Court Alcohol, Education & Rehabilitation Fund | 2,167.43                               | 1,299.28         | 2,167.43   | .00  | 1,299.28                               |
| Drunk Driving Enforcement Fund                           | <u>.00</u>                             | <u>4,300.00</u>  | <u>.00</u>   | <u>.00</u>                                 | <u>4,300.00</u>                        |
|  | <u>\$11,226.05</u>                     | <u>20,681.59</u> | <u>14,014.36</u>                                   | <u>.00</u>                                 | <u>17,893.28</u>                       |
| <u>Ref.</u>  | A                                      | A-27:A-4         | A-28   |  | A                                      |

**Borough of Deal, NJ**  
**Trust Fund**  
**Schedule of Trust Cash - Treasurer**

**B-1**

|  | Ref.                | Dog<br>License<br>Fund | Unemployment<br>Compensation<br>Fund | Street<br>Opening<br>Deposits | Law<br>Enforcement<br>Trust Fund | Misc.<br>Trust<br>Funds |
|--|---------------------|------------------------|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <b><u>Balance</u></b> - December 31, 2015      | B                   | <u>262.20</u>          | <u>15,486.86</u>                     | <u>2,950.00</u>               | <u>8,497.63</u>                  | <u>359,221.94</u>       |
| <b><u>Increased by</u></b>                     |                     |                        |                                      |                               |                                  |                         |
| Contra   | B-1:B-7             | 200,000.00             | 1,349.90                             | .00                           | .00                              | 538.32                  |
| Law Enforcement Trust Fund                     | B-1                 | .00                    | .00                                  | .00                           | 2,253.03                         | .00                     |
| Miscellaneous Trust Funds                      | B-1                 | .00                    | .00                                  | .00                           | .00                              | 739,969.15              |
| Payroll Deductions and Budget<br>Appropriation | B-1:B-6             | .00                    | 14,447.77                            | .00                           | .00                              | .00                     |
| Dog License Fees                               | B-5                 | 179.40                 | .00                                  | .00                           | .00                              | .00                     |
| Street Opening Deposits                        | B-4                 | .00                    | .00                                  | 2,000.00                      | .00                              | .00                     |
| Due to State of New Jersey                     | B-1                 | 18.60                  | .00                                  | .00                           | .00                              | .00                     |
| Interest Earned                                | B-3:B-4;<br>B-6:B-7 | 1.04                   | 46.29                                | 9.40                          | 21.38                            | 1,076.66                |
| Due To/From Current Fund                       | B-1                 | <u>.00</u>             | <u>.00</u>                           | <u>.00</u>                    | <u>.00</u>                       | <u>.00</u>              |
|  |                     | <u>200,199.04</u>      | <u>15,843.96</u>                     | <u>2,009.40</u>               | <u>2,274.41</u>                  | <u>741,584.13</u>       |
|  |                     | <u>200,461.24</u>      | <u>31,330.82</u>                     | <u>4,959.40</u>               | <u>10,772.04</u>                 | <u>1,100,806.07</u>     |
| <b><u>Decreased by</u></b>                     |                     |                        |                                      |                               |                                  |                         |
| Contra   | B-1:B-7             | 200,000.00             | 1,349.90                             | .00                           | .00                              | 538.32                  |
| Interest Earned to Current Fund                | B-1                 | 1.04                   | 46.29                                | 9.40                          | .00                              | 1,076.66                |
| Law Enforcement Trust Fund                     | B-1                 | .00                    | .00                                  | .00                           | 1,524.89                         | .00                     |
| Due to State of New Jersey                     | B-1:B-6             | 18.60                  | 17,086.16                            | .00                           | .00                              | .00                     |
| Miscellaneous Trust Funds                      | B-1                 | .00                    | .00                                  | .00                           | .00                              | 375,120.28              |
| Due To/From Current Fund                       | B-1                 | <u>138.00</u>          | <u>.00</u>                           | <u>2,950.00</u>               | <u>.00</u>                       | <u>.00</u>              |
|  |                     | <u>200,157.64</u>      | <u>18,482.35</u>                     | <u>2,959.40</u>               | <u>1,524.89</u>                  | <u>376,735.26</u>       |
| <b><u>Balance</u></b> - December 31, 2016      | B                   | <u>\$ 303.60</u>       | <u>12,848.47</u>                     | <u>2,000.00</u>               | <u>9,247.15</u>                  | <u>724,070.81</u>       |

**Schedule of Amount Due To or From Current Fund**

**B-3**

|   | Ref. | Dog<br>License<br>Fund |
|---|------|------------------------|
| <b><u>Balance</u></b> - December 31, 2015 | B    | <u>.00</u>             |
| <b><u>Increased by</u></b>                |      |                        |
| Interest Earned - Dog License Fund        | B-1  | 1.04                   |
| Statutory Excess in Dog Fund Reserve      | B-5  | <u>138.00</u>          |
|   |      | <u>139.04</u>          |
| <b><u>Decreased by</u></b>                |      |                        |
| Deposits to Current Fund                  | B-1  | <u>139.04</u>          |
| <b><u>Balance</u></b> - December 31, 2016 | B    | <u>\$ .00</u>          |

**Borough of Deal, NJ**  
**Trust Fund**  
**Schedule of Reserve for Street Opening Deposits**

B-4

|   | <u>Ref.</u> |             |                   |
|---|-------------|-------------|-------------------|
| <b><u>Balance</u></b> - December 31, 2015 | B           |             | 2,950.00          |
| <b><u>Increased by</u></b>                |             |             |                   |
| Deposits Received                         | B-1         | 2,000.00    |                   |
| Interest Earned                           | B-1         | <u>9.40</u> |                   |
|   |             |             | <u>2,009.40</u>   |
|   |             |             | 4,959.40          |
| <b><u>Decreased by</u></b>                |             |             |                   |
| Deposits to Current Fund                  | B-1         | 2,950.00    |                   |
| Interest Earned to Current Fund           | B-1         | <u>9.40</u> |                   |
|   |             |             | <u>2,959.40</u>   |
| <b><u>Balance</u></b> - December 31, 2016 | B           |             | <u>\$2,000.00</u> |

**Schedule of Reserve for Dog Fund Expenditures**

B-5

|   | <u>Ref.</u> |  |                 |
|---|-------------|--|-----------------|
| <b><u>Balance</u></b> - December 31, 2015 | B           |  | 262.20          |
| <b><u>Increased by</u></b>                |             |  |                 |
| Dog License Fees Collected                | B-1         |  | <u>179.40</u>   |
|   |             |  | 441.60          |
| <b><u>Decreased by</u></b>                |             |  |                 |
| Statutory Excess Due to Current Fund      | B-3         |  | <u>138.00</u>   |
| <b><u>Balance</u></b> - December 31, 2016 | B           |  | <u>\$303.60</u> |

**License Fees Collected**

| <u>Year</u> | <u>Amount</u>   |
|-------------|-----------------|
| 2014        | 124.20          |
| 2015        | <u>179.40</u>   |
|             | <u>\$303.60</u> |

**Borough of Deal, NJ**  
**Trust Fund**  
**Schedule of Reserve for Unemployment Compensation Funds**

**B-6**

|   | <u>Ref.</u> |                 |                    |
|---|-------------|-----------------|--------------------|
| <b><u>Balance</u></b> - December 31, 2015   | B           |                 | 15,486.86          |
| <b><u>Increased by</u></b>                  |             |                 |                    |
| Interest Earned                             | B-1         | 46.29           |                    |
| Payroll Deductions and Budget Appropriation | B-1         | 14,447.77       |                    |
| Contra                                      | B-1         | <u>1,349.90</u> |                    |
|   |             |                 | <u>15,843.96</u>   |
|   |             |                 | 31,330.82          |
| <b><u>Decreased by</u></b>                  |             |                 |                    |
| Payments to the State of New Jersey         | B-1         | 17,086.16       |                    |
| Interest Earned to Current Fund             | B-1         | 46.29           |                    |
| Contra                                      | B-1         | <u>1,349.90</u> |                    |
|   |             |                 | <u>18,482.35</u>   |
| <b><u>Balance</u></b> - December 31, 2016   | B           |                 | <u>\$12,848.47</u> |

**Schedule of Reserve for Miscellaneous Trust Funds**

**B-7**

|   | <u>Ref.</u> |               |                      |
|---|-------------|---------------|----------------------|
| <b><u>Balance</u></b> - December 31, 2015 | B           |               | 359,221.94           |
| <b><u>Increased by</u></b>                |             |               |                      |
| Interest Earned                           | B-1         | 1,076.66      |                      |
| Miscellaneous Trust Funds Receipts        | B-1         | 739,969.15    |                      |
| Contra                                    | B-1         | <u>538.32</u> |                      |
|   |             |               | <u>741,584.13</u>    |
|   |             |               | 1,100,806.07         |
| <b><u>Decreased by</u></b>                |             |               |                      |
| Miscellaneous Trust Funds Disbursements   | B-1         | 375,120.28    |                      |
| Interest Earned to Current Fund           | B-1         | 1,076.66      |                      |
| Contra                                    | B-1         | <u>538.32</u> |                      |
|   |             |               | <u>376,735.26</u>    |
| <b><u>Balance</u></b> - December 31, 2016 | B           |               | <u>\$ 724,070.81</u> |



Borough of Deal, NJ  
General Capital Fund  
Schedule of General Capital Cash - Treasurer

C-2

|  | <u>Ref.</u> |                  | <u>Regular</u>       |
|--|-------------|------------------|----------------------|
| <b><u>Balance</u></b> - December 31, 2015      | C           |                  | 782,436.24           |
| <b><u>Increased by Receipts</u></b>            |             |                  |                      |
| Interfund Due To/From Current Fund             | C-4:C-9     | 1,249,288.46     |                      |
| Budget Appropriations:                         |             |                  |                      |
| Capital Improvement Fund                       | C-4:C-6     | 200,000.00       |                      |
| Deferred Charges to Future Taxation - Unfunded | C-4:C-5     | 150,000.00       |                      |
| Improvement Authorizations Reimbursements      | C-4:C-8     | <u>35,649.02</u> |                      |
|  |             |                  | <u>1,634,937.48</u>  |
|  |             |                  | 2,417,373.72         |
| <b><u>Decreased by Disbursements</u></b>       |             |                  |                      |
| Improvement Authorizations                     | C-4:C-8     | 1,805,936.36     |                      |
| Interfund Due To/From Current Fund             | C-4:C-9     | <u>1,116.81</u>  |                      |
|  |             |                  | <u>1,807,053.17</u>  |
| <b><u>Balance</u></b> - December 31, 2016      | C           |                  | <u>\$ 610,320.55</u> |

Analysis of General Capital Cash

C-4  
(Page 1 of 2)

|  | Balance<br>Dec. 31<br>2015 | Receipts     | Disbursements<br>Improvement<br>Authorizations | Other    | Transfers<br>To | From         | Balance<br>Dec. 31<br>2016 |
|--|----------------------------|--------------|--|----------|-----------------|--------------|----------------------------|
| Fund Balance   | 362,343.32                 | .00          | .00  | .00      | 435.35          | .00          | 362,778.67                 |
| Capital Improvement Fund   | 68,332.85                  | 200,000.00   | .00  | .00      | .00             | 121,250.00   | 147,082.85                 |
| Due To/From Current Fund   | .00                        | 1,249,288.46 | .00  | 1,116.81 | .00             | 1,248,171.65 | .00                        |
| Improvement Authorizations   |                            |              |  |          |                 |              |                            |
| Purchase & Restoration of Fire Department Equipment - Ordn. #1062        | 39,357.47                  | .00          | 8,468.18                                       | .00      | .00             | .00          | 30,889.29                  |
| Purchase of a Fire Engine with Associated Equipment - Ordn. #1066        | 7,932.10                   | .00          | .00  | .00      | .00             | .00          | 7,932.10                   |
| Various Improvements to Streets & Drains - Atlantic Avenue - Ordn. #1076 | .00                        | 150,000.00   | 284,052.50                                     | .00      | 134,052.50      | .00          | .00                        |
| Construction of a Sea Wall at Roosevelt Avenue - Ordn. #1077             | 9,803.75                   | .00          | 319,426.00                                     | .00      | 309,622.25      | .00          | .00                        |
| Purchase & Improvement to Fire Department Equipment - Ordn. #1078        | 14,351.44                  | .00          | .00  | .00      | .00             | .00          | 14,351.44                  |
| Purchase & Improvement to DPW Equipment - Ordn. #1079                    | .00                        | 10,159.85    | 10,159.85                                      | .00      | .00             | .00          | .00                        |

Borough of Deal, NJ  
General Capital Fund  
Analysis of General Capital Cash

C-4  
(Page 2 of 2)

|   | Balance<br>Dec. 31<br>2015 | Receipts            | Disbursements                 |                 | Transfers           |                     | Balance<br>Dec. 31<br>2016 |
|---|----------------------------|---------------------|-------------------------------|-----------------|---------------------|---------------------|----------------------------|
|   |                            |                     | Improvement<br>Authorizations | Other           | To                  | From                |                            |
| Construction of the Roseld Avenue Recreational Facility - Ordn. #1090                   | .00                        | .00                 | 1,623.75                      | .00             | .00                 | .00                 | (1,623.75)                 |
| Construction of a Sea Wall at Roosevelt Avenue - Ordn. #1091                            | 2,000.00                   | .00                 | 83,387.75                     | .00             | .00                 | .00                 | (81,387.75)                |
| Purchase of & Improvement to Sanitation Equipment - Ordn. #1092                         | 832.41                     | 832.41              | 832.41                        | .00             | .00                 | .00                 | 832.41                     |
| Purchase of & Improvement to Fire Department Equipment - Ordn. #1093                    | 35,437.90                  | .00                 | .00                           | .00             | .00                 | .00                 | 35,437.90                  |
| Purchase of Scott Air Packs for the Fire Department - Ordn. #1094                       | 11,905.00                  | .00                 | .00                           | .00             | .00                 | .00                 | 11,905.00                  |
| Purchase of & Improvement to DPW Equipment - Ordn. #1095                                | .00                        | 24,656.76           | 24,656.76                     | .00             | .00                 | .00                 | .00                        |
| Construction & Improvements to Deal Casino Beach Cabanas - Ordn. #1107                  | .00                        | .00                 | 75,763.64                     | .00             | .00                 | .00                 | (75,763.64)                |
| Various Improvements to the Deal Casino & Conover Pavilion Beach<br>Clubs - Ordn. #1109 | .00                        | .00                 | 30,449.59                     | .00             | .00                 | .00                 | (30,449.59)                |
| Purchase of & Improvements to Sanitation Equipment - Ordn. #1110                        | 3,750.00                   | .00                 | .00                           | .00             | .00                 | .00                 | 3,750.00                   |
| Purchase of & Improvements to DPW Equipment - Ordn. #1111                               | 100,000.00                 | .00                 | .00                           | .00             | .00                 | .00                 | 100,000.00                 |
| Various Improvements to Streets & Drains - Ordn. #1112                                  | .00                        | .00                 | 152,890.06                    | .00             | 152,890.06          | .00                 | .00                        |
| Various Improvements to Municipal Buildings - Ordn. #1113                               | .00                        | .00                 | 50,850.00                     | .00             | .00                 | .00                 | (50,850.00)                |
| Improvements to the Marine Place Drainage - Ordn. #1114                                 | 51,390.00                  | .00                 | 702,561.49                    | .00             | 651,171.49          | .00                 | .00                        |
| Improvements to the Brighton Avenue Drainage - Ordn. #1115                              | 75,000.00                  | .00                 | 4,855.00                      | .00             | .00                 | .00                 | 70,145.00                  |
| Various Improvements to the Deal Casino & Conover Pavilion Beach<br>Clubs - Ordn. #1127 | .00                        | .00                 | .00                           | .00             | 7,500.00            | .00                 | 7,500.00                   |
| Purchase of & Improvements to Sanitation Equipment - Ordn. #1128                        | .00                        | .00                 | .00                           | .00             | 3,750.00            | .00                 | 3,750.00                   |
| Various Improvements to Municipal Buildings - Ordn. #1129                               | .00                        | .00                 | .00                           | .00             | 100,000.00          | .00                 | 100,000.00                 |
| Various Improvements to Streets & Drains - Ordn. #1133                                  | .00                        | .00                 | 55,959.38                     | .00             | 10,000.00           | .00                 | (45,959.38)                |
|   | <u>\$782,436.24</u>        | <u>1,634,937.48</u> | <u>1,805,936.36</u>           | <u>1,116.81</u> | <u>1,369,421.65</u> | <u>1,369,421.65</u> | <u>610,320.55</u>          |
| <u>Ref.</u>   | C                          | C-2                 | C-2:C-8                       | C-2:C-9         | C-4                 | C-4                 | C                          |

## C-5

-55-

2,437,883.36

(19,837.10)

\$2,418,046.26

Borough of Deal, NJ  
General Capital Fund  
Schedule of Capital Improvement Fund

C-6

|                                     | Ref.    |                     |
|-------------------------------------|---------|---------------------|
| <u>Balance</u> - December 31, 2015  | C       | 68,332.85           |
| <u>Increased by</u>                 |         |                     |
| 2016 Budget Appropriation           | C-2:A-3 | <u>200,000.00</u>   |
|                                     |         | 268,332.85          |
| <u>Decreased by</u>                 |         |                     |
| Financed Improvement Authorizations | C-8     | <u>121,250.00</u>   |
| <u>Balance</u> - December 31, 2016  | C       | <u>\$147,082.85</u> |

Schedule of Bond Anticipation Notes

C-7

| Ordinance<br>Number | Description   | Original<br>Date | Present<br>Issue<br>Date | Due<br>Date | Interest<br>Rate | Balance<br>Dec. 31, 2015 | Issued              | Paid                | Balance<br>Dec. 31, 2016 |
|---------------------|---|------------------|--------------------------|-------------|------------------|--------------------------|---------------------|---------------------|--------------------------|
| 1070/1074           | Various Improvements to the Conover Pavilion & the Deal Casino Beach Clubs & Phillips Avenue Pier | 12/05/13         | 09/30/16                 | 09/29/17    | 1.25%            | 885,302.00               | .00                 | 235,522.00          | 649,780.00               |
| 1075                | Construction of the Roseld Avenue Recreational Facility   | 12/31/15         | 12/30/16                 | 12/29/17    | None             | 251,581.25               | .00                 | 101,581.25          | 150,000.00*              |
| 1076                | Various Improvements to Streets & Drains - Atlantic Avenue  | 12/31/15         | 12/31/15                 | 12/30/16    | None             | 24,697.50                | .00                 | 24,697.50           | .00                      |
| 1089                | Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs                            | 12/31/15         | 12/31/15                 | 12/30/16    | None             | 138,773.25               | .00                 | 138,773.25          | .00                      |
| 1090                | Construction of the Roseld Avenue Recreational Facility   | 12/31/15         | 12/31/15                 | 12/30/16    | None             | 88,757.65                | .00                 | 88,757.65           | .00                      |
| 1095                | Purchase of & Improvement to DPW Equipment  | 12/31/15         | 12/31/15                 | 12/30/16    | None             | 5,500.00                 | .00                 | 5,500.00            | .00                      |
| 1107                | Construction & Improvement to Deal Casino Beach Cabanas   | 12/31/15         | 12/31/15                 | 12/30/16    | None             | 269,582.01               | .00                 | 269,582.01          | .00                      |
| 1108                | Repaving of the Conover Pavilion Parking Lot  | 12/31/15         | 12/31/15                 | 12/30/16    | None             | 171,744.50               | .00                 | 171,744.50          | .00                      |
| 1109                | Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs                            | 12/31/15         | 12/31/15                 | 12/30/16    | None             | 97,016.58                | .00                 | 97,016.58           | .00                      |
| 1112                | Various Improvements to Streets & Drains  | 12/31/15         | 12/31/15                 | 12/30/16    | None             | 37,109.94                | .00                 | 37,109.94           | .00                      |
| 1113                | Various Improvements to Municipal Buildings   | 12/31/15         | 12/31/15                 | 12/30/16    | None             | 19,685.00                | .00                 | 19,685.00           | .00                      |
| 1076                | Various Improvements to Streets & Drains - Atlantic Avenue  | 12/14/16         | 12/14/16                 | 12/13/17    | None             | .00                      | 134,052.50          | .00                 | 134,052.50*              |
| 1077                | Construction of a Sea Wall at Roosevelt Avenue  | 12/14/16         | 12/14/16                 | 12/13/17    | None             | .00                      | 309,622.25          | .00                 | 309,622.25*              |
| 1112                | Various Improvements to Streets & Drains  | 12/14/16         | 12/14/16                 | 12/13/17    | None             | .00                      | 152,890.06          | .00                 | 152,890.06*              |
| 1114                | Improvements to the Marine Place Drainage   | 12/14/16         | 12/14/16                 | 12/13/17    | None             | .00                      | 651,171.49          | .00                 | 651,171.49*              |
|                     |   |                  |                          |             |                  | <u>\$1,989,749.68</u>    | <u>1,247,736.30</u> | <u>1,189,969.68</u> | <u>2,047,516.30</u>      |
|                     |   |                  |                          |             | Ref.             | C                        | C-9                 | A-3:C-5             | C                        |

\*Due to Current Fund

Borough of Deal, NJ  
General Capital Fund  
Schedule of Improvement Authorizations

C-8

|                     |  | 2016 Authorizations |              |                             |              |                                |                                    |                                    |                    |                             |              |
|---------------------|--|---------------------|--------------|-----------------------------|--------------|--------------------------------|------------------------------------|------------------------------------|--------------------|-----------------------------|--------------|
|                     |  | Ordinance           |              | Balance                     |              | Capital<br>Improvement<br>Fund | Deferred Charges                   |                                    |                    | Balance                     |              |
| Ordinance<br>Number | Improvement Description  | Date                | Amount       | December 31, 2015<br>Funded | Unfunded     |                                | Down<br>Payment on<br>Improvements | To Future<br>Taxation-<br>Unfunded | Paid or<br>Charged | December 31, 2016<br>Funded | Unfunded     |
| 1062                | Purchase & Restoration of Fire Department Equipment                    | 05/08/12            | 50,000.00    | 39,357.47                   | .00          | .00                            | .00                                | .00                                | 8,468.18           | 30,889.29                   | .00          |
| 1066                | Purchase of a Fire Engine with Associated Equipment                    | 08/15/12            | 350,000.00   | .00                         | 7,932.10     | .00                            | .00                                | .00                                | .00                | .00                         | 7,932.10     |
| 1076                | Various Improvements to Streets & Drains - Atlantic Avenue             | 05/10/13            | 325,000.00   | .00                         | 284,052.50   | .00                            | .00                                | .00                                | 284,052.50         | .00                         | .00          |
| 1077                | Construction of a Sea Wall at Roosevelt Avenue                         | 05/10/13            | 350,000.00   | 9,803.75                    | 332,500.00   | .00                            | .00                                | .00                                | 319,426.00         | .00                         | 22,877.75    |
| 1078                | Purchase of & Improvements to Fire Department Equipment                | 05/10/13            | 35,000.00    | 14,351.44                   | .00          | .00                            | .00                                | .00                                | .00                | 14,351.44                   | .00          |
| 1079                | Purchase of & Improvements to DPW Equipment                            | 05/10/13            | 35,000.00    | .00                         | 10,159.85    | .00                            | .00                                | .00                                | .00                | .00                         | 10,159.85    |
| 1090                | Construction of the Roseld Avenue Recreational Facility                | 04/29/14            | 100,000.00   | .00                         | 6,242.35     | .00                            | .00                                | .00                                | 1,623.75           | .00                         | 4,618.60     |
| 1091                | Construction of a Sea Wall at Roosevelt Avenue                         | 04/29/14            | 100,000.00   | 2,000.00                    | 95,000.00    | .00                            | .00                                | .00                                | 83,387.75          | .00                         | 13,612.25    |
| 1092                | Purchase of & Improvements to Sanitation Equipment                     | 04/29/14            | 75,000.00    | 832.41                      | .00          | .00                            | .00                                | .00                                | .00                | 832.41                      | .00          |
| 1093                | Purchase of & Improvements to Fire Department Equipment                | 04/29/14            | 50,000.00    | 35,437.90                   | .00          | .00                            | .00                                | .00                                | .00                | 35,437.90                   | .00          |
| 1094                | Purchase of Scott Air Packs for the Fire Department                    | 04/29/14            | 238,100.00   | .00                         | 11,905.00    | .00                            | .00                                | .00                                | .00                | .00                         | 11,905.00    |
| 1095                | Purchase of & Improvements to DPW Equipment                            | 04/29/14            | 100,000.00   | .00                         | 26,500.00    | .00                            | .00                                | .00                                | .00                | .00                         | 26,500.00    |
| 1107                | Construction & Improvements to Deal Casino Beach Cabanas               | 04/24/15            | 400,000.00   | .00                         | 110,417.99   | .00                            | .00                                | .00                                | 75,763.64          | .00                         | 34,654.35    |
| 1108                | Repaving of the Conover Pavilion Parking Lot                           | 04/24/15            | 225,000.00   | .00                         | 42,005.50    | .00                            | .00                                | .00                                | .00                | .00                         | 42,005.50    |
| 1109                | Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs | 04/24/15            | 150,000.00   | .00                         | 45,483.42    | .00                            | .00                                | .00                                | 30,449.59          | .00                         | 15,033.83    |
| 1110                | Purchase of & Improvements to Sanitation Equipment                     | 04/24/15            | 75,000.00    | 3,750.00                    | 71,250.00    | .00                            | .00                                | .00                                | .00                | 3,750.00                    | 71,250.00    |
| 1111                | Purchase of & Improvements to DPW Equipment                            | 04/24/15            | 100,000.00   | 100,000.00                  | .00          | .00                            | .00                                | .00                                | .00                | 100,000.00                  | .00          |
| 1112                | Various Improvements to Streets & Drains                               | 04/24/15            | 200,000.00   | .00                         | 152,890.06   | .00                            | .00                                | .00                                | 152,890.06         | .00                         | .00          |
| 1113                | Various Improvements to Municipal Buildings                            | 04/24/15            | 75,000.00    | .00                         | 51,565.00    | .00                            | .00                                | .00                                | 50,850.00          | .00                         | 715.00       |
| 1114                | Improvements to the Marine Place Drainage                              | 04/24/15            | 1,100,000.00 | 51,390.00                   | 1,045,000.00 | .00                            | .00                                | .00                                | 702,561.49         | .00                         | 393,828.51   |
| 1115                | Improvements to the Brighton Avenue Drainage                           | 04/24/15            | 1,500,000.00 | 75,000.00                   | 1,425,000.00 | .00                            | .00                                | .00                                | 4,855.00           | 70,145.00                   | 1,425,000.00 |
| 1127                | Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs | 05/13/16            | 150,000.00   | .00                         | .00          | 7,500.00                       | .00                                | 142,500.00                         | .00                | 7,500.00                    | 142,500.00   |
| 1128                | Purchase of & Improvements to Sanitation Equipment                     | 05/13/16            | 75,000.00    | .00                         | .00          | 3,750.00                       | .00                                | 71,250.00                          | .00                | 3,750.00                    | 71,250.00    |
| 1129                | Various Improvements to Municipal Buildings                            | 05/13/16            | 100,000.00   | .00                         | .00          | 100,000.00                     | .00                                | .00                                | .00                | 100,000.00                  | .00          |
| 1133                | Various Improvements to Streets & Drains                               | 07/27/16            | 200,000.00   | .00                         | .00          | 10,000.00                      | .00                                | 190,000.00                         | 55,959.38          | .00                         | 144,040.62   |
|                     |  |                     |              | \$331,922.97                | 3,717,903.77 | 121,250.00                     | .00                                | 403,750.00                         | 1,770,287.34       | 366,656.04                  | 2,437,883.36 |
|                     |  | Ref.                | C            | C                           | C-6          | C-5                            | C-2                                | C                                  | C                  |                             |              |

Borough of Deal, NJ  
General Capital Fund  
Schedule of Interfund Due To or From Current Fund

C-9

|  | <u>Ref.</u> |                     |                     |
|--|-------------|---------------------|---------------------|
| <b><u>Balance</u></b> - December 31, 2015              | C           |                     | .00                 |
| <b><u>Increased by</u></b>                             |             |                     |                     |
| Interest Earned by General Capital Fund                | C-2:C-9     | 1,116.81            |                     |
| Cash Received from Current Fund                        | C-2:A-4     | <u>1,248,171.65</u> |                     |
|  |             |                     | <u>1,249,288.46</u> |
|  |             |                     | 1,249,288.46        |
| <b><u>Decreased by</u></b>                             |             |                     |                     |
| Cash Disbursed to Current Fund                         | C-2:C-4:C-9 | 1,116.81            |                     |
| Bond Anticipation Notes Issued by General Capital Fund | C-7         | 1,247,736.30        |                     |
| Due from Current Fund - Premium on Bond Anticipation   |             |                     |                     |
| Note Issued  | C-2:A-23    | <u>435.35</u>       |                     |
|  |             |                     | <u>1,249,288.46</u> |
| <b><u>Balance</u></b> - December 31, 2016              | C           |                     | \$ <u>.00</u>       |

Borough of Deal, NJ  
General Capital Fund  
Schedule of Bonds and Notes Authorized But Not Issued

C-12

| Ordinance<br>Number | Improvement Description   | Balance<br>Dec. 31, 2015 | 2016<br>Authorizations | Notes<br>Issued     | State and<br>Municipal Aid | Funded By Budget<br>Appropriation |                             | Balance<br>Dec. 31, 2016 |
|---------------------|---|--------------------------|------------------------|---------------------|----------------------------|-----------------------------------|-----------------------------|--------------------------|
|                     |   |                          |                        |                     |                            | DCFT -<br>Unfunded                | Authorizations<br>Cancelled |                          |
| 1076                | Various Improvements to Streets & Drains - Atlantic Avenue                | 284,052.50               | .00                    | 134,052.50          | 150,000.00                 | .00                               | .00                         | .00                      |
| 1077                | Construction of a Sea Wall at Roosevelt Avenue                            | 332,500.00               | .00                    | 309,622.25          | .00                        | .00                               | .00                         | 22,877.75                |
| 1079                | Purchase of & Improvements to DPW Equipment                               | 10,159.85                | .00                    | .00                 | .00                        | .00                               | .00                         | 10,159.85                |
| 1090                | Construction of the Roseld Avenue Recreational Facility                   | 6,242.35                 | .00                    | .00                 | .00                        | .00                               | .00                         | 6,242.35                 |
| 1091                | Construction of a Sea Wall at Roosevelt Avenue                            | 95,000.00                | .00                    | .00                 | .00                        | .00                               | .00                         | 95,000.00                |
| 1095                | Purchase of & Improvements to DPW Equipment                               | 26,500.00                | .00                    | .00                 | .00                        | .00                               | .00                         | 26,500.00                |
| 1107                | Construction & Improvements to Deal Casino Beach Cabanas                  | 110,417.99               | .00                    | .00                 | .00                        | .00                               | .00                         | 110,417.99               |
| 1108                | Repaving of the Conover Pavilion Parking Lot                              | 42,005.50                | .00                    | .00                 | .00                        | .00                               | .00                         | 42,005.50                |
| 1109                | Various Improvements to the Deal Casino & Conover Pavilion<br>Beach Clubs | 45,483.42                | .00                    | .00                 | .00                        | .00                               | .00                         | 45,483.42                |
| 1110                | Purchase of & Improvements to Sanitation Equipment                        | 71,250.00                | .00                    | .00                 | .00                        | .00                               | .00                         | 71,250.00                |
| 1112                | Various Improvements to Streets & Drains                                  | 152,890.06               | .00                    | 152,890.06          | .00                        | .00                               | .00                         | .00                      |
| 1113                | Various Improvements to Municipal Buildings                               | 51,565.00                | .00                    | .00                 | .00                        | .00                               | .00                         | 51,565.00                |
| 1114                | Improvements to the Marine Place Drainage                                 | 1,045,000.00             | .00                    | 651,171.49          | .00                        | .00                               | .00                         | 393,828.51               |
| 1115                | Improvements to the Brighton Avenue Drainage                              | 1,425,000.00             | .00                    | .00                 | .00                        | .00                               | .00                         | 1,425,000.00             |
| 1127                | Various Improvements to the Deal Casino & Conover Pavilion<br>Beach Clubs | .00                      | 142,500.00             | .00                 | .00                        | .00                               | .00                         | 142,500.00               |
| 1128                | Purchase of & Improvements to Sanitation Equipment                        | .00                      | 71,250.00              | .00                 | .00                        | .00                               | .00                         | 71,250.00                |
| 1133                | Various Improvements to Streets & Drains                                  | .00                      | 190,000.00             | .00                 | .00                        | .00                               | .00                         | 190,000.00               |
|                     |   | <u>\$3,698,066.67</u>    | <u>403,750.00</u>      | <u>1,247,736.30</u> | <u>150,000.00</u>          | <u>.00</u>                        | <u>.00</u>                  | <u>2,704,080.37</u>      |
|                     | <u>Ref.</u>   | Footnote C<br>2015       | C-5;C-8                | C-7                 | C-5                        |                                   |                             | Footnote C<br>2016       |

**Borough of Deal, NJ**  
**Sewer Utility Fund**  
**Schedule of Sewer Utility Cash**

D-8

|  | <u>Ref.</u> | <u>Operating</u>             | <u>Capital</u>          |
|--|-------------|------------------------------|-------------------------|
| <b><u>Balance</u></b> - December 31, 2015          | D           | <u>1,765,538.01</u>          | <u>45,464.17</u>        |
| <b><u>Increased by Receipts</u></b>                |             |                              |                         |
| Interest on Investments                            | D-4         | 5,566.65                     | .00                     |
| Sewer Rental Receivables                           | D-4;D-14    | 1,150,415.81                 | .00                     |
| Interest on Delinquent Accounts                    | D-4         | 6,872.98                     | .00                     |
| Utility Rent Overpayments                          | D-38        | 1,909.33                     | .00                     |
| Prepaid Sewer Rents                                | D-39        | 76.00                        | .00                     |
| Miscellaneous Revenue Not Anticipated              | D-1         | 320.51                       | .00                     |
| Interfund with Sewer Operating Fund                | D-31        | .00                          | 40,160.99               |
| Interfund with Current Fund                        | D-30        | 99,003.93                    | .00                     |
| Deferred Charges - Cost of Improvements Authorized | D-5         | <u>.00</u>                   | <u>21,363.99</u>        |
|  |             | <u>1,264,165.21</u>          | <u>61,524.98</u>        |
| <b><u>Decreased by Disbursements</u></b>           |             |                              |                         |
| Budget Appropriations                              | D-5         | 770,796.30                   | .00                     |
| 2015 Appropriation Reserves                        | D-34        | 8,690.89                     | .00                     |
| Notes Receivable                                   | D-31        | 40,000.00                    | .00                     |
| Improvement Authorizations                         | D-43        | .00                          | 45,745.08               |
| Interfund with Sewer Operating Fund                | D-31        | .00                          | 160.99                  |
| Interfund with Current Fund                        | D-30        | <u>176,089.22</u>            | <u>.00</u>              |
|  |             | <u>995,576.41</u>            | <u>45,906.07</u>        |
| <b><u>Balance</u></b> - December 31, 2016          | D           | <u><u>\$2,034,126.81</u></u> | <u><u>61,083.08</u></u> |



Borough of Deal, NJ  
Sewer Utility Fund  
Analysis of Sewer Capital Cash

D-13

|  | Balance<br>Dec. 31<br>2015 | Cash<br>Receipts | Cash<br>Disbursements | Transfers        |                  | Balance<br>Dec. 31<br>2016 |
|--|----------------------------|------------------|-----------------------|------------------|------------------|----------------------------|
|  |                            |                  |                       | From             | To               |                            |
| Fund Balance   | 16,828.16                  | .00              | .00                   | .00              | .00              | 16,828.16                  |
| Interfund with Sewer Operating Fund  | .00                        | 61,524.98        | 160.99                | 61,363.99        | .00              | .00                        |
| Capital Improvement Fund   | 50,000.00                  | .00              | .00                   | .00              | .00              | 50,000.00                  |
| Improvement Authorizations   |                            |                  |                       |                  |                  |                            |
| Improvement of Sanitary Sewers - Ordn. #1054   | (420.00)                   | .00              | 36,322.58             | .00              | 36,145.00        | (597.58)                   |
| Purchase of Sanitary Sewer Equipment - Ordn. #1065                                     | (8,150.00)                 | .00              | .00                   | .00              | 8,150.00         | .00                        |
| Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station -<br>Ordn. #1096 | (12,793.99)                | .00              | 9,422.50              | .00              | 17,068.99        | (5,147.50)                 |
|  | <u>\$ 45,464.17</u>        | <u>61,524.98</u> | <u>45,906.07</u>      | <u>61,363.99</u> | <u>61,363.99</u> | <u>61,083.08</u>           |
| <u>Ref.</u>  | D                          | D-8              | D-8                   | D-13             | D-13             | D                          |

Schedule of Consumer Accounts Receivable

D-14

|                                    | <u>Ref.</u> |                     |
|------------------------------------|-------------|---------------------|
| <u>Balance</u> - December 31, 2015 | D           | 48,402.28           |
| <u>Increased by</u>                |             |                     |
| Sewer Rent Charges in 2016         | D-14        | <u>1,176,422.35</u> |
|                                    |             | 1,224,824.63        |
| <u>Decreased by</u>                |             |                     |
| Collections                        | D-4:D-8     | 1,150,415.81        |
| Overpayments Applied               | D-4:D-38    | 1,668.06            |
| Prepaid Rents Applied              | D-4:D-39    | <u>245.06</u>       |
|                                    |             | <u>1,152,328.93</u> |
| <u>Balance</u> - December 31, 2016 | D           | <u>\$ 72,495.70</u> |

Borough of Deal, NJ  
Sewer Utility Fund  
Statement of Fixed Capital

D-28

| Improvement Description  | Balance<br>Dec. 31<br>2015 | Additions  | Balance<br>Dec. 31<br>2016 |
|--|----------------------------|------------|----------------------------|
| Upgrading of Sewer Lines - Ordn. #755  | 28,388.25                  | .00        | 28,388.25                  |
| Purchase of Backhoe - Ordn. #814   | 53,500.00                  | .00        | 53,500.00                  |
| Control of Infiltration into Woodford Road Sanitary Sewer System - Ordn. #813  | 42,000.00                  | .00        | 42,000.00                  |
| Conversion and Construction of Sewer Pumping System - Ordn. #671               | 1,200,000.00               | .00        | 1,200,000.00               |
| Improvement of Sanitary Sewerage System - Ordn. #710                           | 120,000.00                 | .00        | 120,000.00                 |
| Reconstruction & Improvement of the Sanitary Sewer Utility Lines - Ordn. #846  | 100,000.00                 | .00        | 100,000.00                 |
| Reconstruction & Improvement of the Sewer Utility Pumping Station - Ordn. #847 | 75,000.00                  | .00        | 75,000.00                  |
| Improvements to Poplar Brook Sanitary Sewer - Ordn. #864                       | 150,000.00                 | .00        | 150,000.00                 |
| Improvements to the Sewer Pumping Station - Ordn. #879                         | 110,000.00                 | .00        | 110,000.00                 |
| Improvements to the Sanitary Sewer System in Brighton Avenue - Ordn. #880      | 300,000.00                 | .00        | 300,000.00                 |
| Improvements to the Sanitary Sewer System in Brighton Avenue - Ordn. #886      | 100,000.00                 | .00        | 100,000.00                 |
|  | <u>\$2,278,888.25</u>      | <u>.00</u> | <u>2,278,888.25</u>        |
| <u>Ref.</u>  | <u>D</u>                   |            | <u>D</u>                   |

Sewer Utility Fund  
Schedule of Fixed Capital Authorized and Uncompleted

D-29

| Improvement Description  | Date     | Amount       | Balance<br>Dec. 31, 2015 | 2016 Authorizations                    |  | Cost to<br>Fixed<br>Capital | Authorizations<br>Cancelled | Balance<br>Dec. 31, 2016 |
|--|----------|--------------|--------------------------|--|--|-----------------------------|-----------------------------|--------------------------|
|  |          |              |                          | Deferred<br>Charges to<br>Amortization | Deferred<br>Charges to<br>Future Revenue |                             |                             |                          |
| Improvements to the Sanitary Sewer in Poplar Avenue - Ordn. #902   | 05/14/02 | 350,000.00   | 350,000.00               | .00                                    | .00                                      | .00                         | .00                         | 350,000.00               |
| Improvements to the Sanitary Sewer Pumping Station - Ordn. #903  | 05/14/02 | 100,000.00   | 100,000.00               | .00                                    | .00                                      | .00                         | .00                         | 100,000.00               |
| Various Improvements to Sanitary Sewers - Ordn. #904   | 05/14/02 | 50,000.00    | 50,000.00                | .00                                    | .00                                      | .00                         | .00                         | 50,000.00                |
| Improvements to the Sanitary Sewer Pumping Station - Ordn. #921  | 04/08/03 | 100,000.00   | 100,000.00               | .00                                    | .00                                      | .00                         | .00                         | 100,000.00               |
| Various Improvements to Sanitary Sewers - Ordn. #922   | 04/08/03 | 150,000.00   | 150,000.00               | .00                                    | .00                                      | .00                         | .00                         | 150,000.00               |
| Various Improvements to Sanitary Sewers - Ordn. #927   | 12/23/03 | 150,000.00   | 150,000.00               | .00                                    | .00                                      | .00                         | .00                         | 150,000.00               |
| Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #937  | 03/23/04 | 250,000.00   | 250,000.00               | .00                                    | .00                                      | .00                         | .00                         | 250,000.00               |
| Various Improvements to Sanitary Sewers - Ordn. #938   | 03/23/04 | 100,000.00   | 100,000.00               | .00                                    | .00                                      | .00                         | .00                         | 100,000.00               |
| Various Improvements to Sanitary Sewers - Ordn. #953   | 04/05/05 | 200,000.00   | 200,000.00               | .00                                    | .00                                      | .00                         | .00                         | 200,000.00               |
| Various Improvements to Sanitary Sewers - Ordn. #959   | 11/22/05 | 50,000.00    | 50,000.00                | .00                                    | .00                                      | .00                         | .00                         | 50,000.00                |
| Various Improvements to Sanitary Sewers - Ordn. #969   | 04/11/06 | 200,000.00   | 200,000.00               | .00                                    | .00                                      | .00                         | .00                         | 200,000.00               |
| Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #970  | 04/11/06 | 150,000.00   | 150,000.00               | .00                                    | .00                                      | .00                         | .00                         | 150,000.00               |
| Various Improvements to Sanitary Sewers - Ordn. #991   | 03/28/07 | 200,000.00   | 200,000.00               | .00                                    | .00                                      | .00                         | .00                         | 200,000.00               |
| Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #992                             | 03/28/07 | 200,000.00   | 200,000.00               | .00                                    | .00                                      | .00                         | .00                         | 200,000.00               |
| Various Improvements to Sanitary Sewers - Ordn. #1009  | 04/22/08 | 150,000.00   | 150,000.00               | .00                                    | .00                                      | .00                         | .00                         | 150,000.00               |
| Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1010                            | 04/22/08 | 100,000.00   | 100,000.00               | .00                                    | .00                                      | .00                         | .00                         | 100,000.00               |
| Purchase of Sewer Utility Vehicle - Ordn. #1011  | 04/22/08 | 50,000.00    | 50,000.00                | .00                                    | .00                                      | .00                         | .00                         | 50,000.00                |
| Improvement of Sanitary Sewers - Ordn. #1054   | 11/30/11 | 200,000.00   | 200,000.00               | .00                                    | .00                                      | .00                         | .00                         | 200,000.00               |
| Improvement of Sewer Utility Vehicles - Ordn. #1055  | 11/30/11 | 50,000.00    | 50,000.00                | .00                                    | .00                                      | .00                         | .00                         | 50,000.00                |
| Various Improvements to Sanitary Sewers - Ordn. #1064  | 05/08/12 | 150,000.00   | 150,000.00               | .00                                    | .00                                      | .00                         | .00                         | 150,000.00               |
| Purchase of Sanitary Sewer Equipment - Ordn. #1065   | 05/08/12 | 100,000.00   | 100,000.00               | .00                                    | .00                                      | .00                         | .00                         | 100,000.00               |
| Reconstruction & Various Repairs & Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1071 | 03/01/13 | 1,000,000.00 | 1,000,000.00             | .00                                    | .00                                      | .00                         | .00                         | 1,000,000.00             |
| Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1096                            | 04/29/14 | 150,000.00   | 150,000.00               | .00                                    | .00                                      | .00                         | .00                         | 150,000.00               |
|  |          |              | <u>\$4,200,000.00</u>    | <u>.00</u>                             | <u>.00</u>                               | <u>.00</u>                  | <u>.00</u>                  | <u>4,200,000.00</u>      |
| <u>Ref.</u>  |          |              | <u>D</u>                 | <u>D-43</u>                            | <u>D-43</u>                              |                             |                             | <u>D</u>                 |

**Borough of Deal, NJ**  
**Sewer Utility Fund**  
**Schedule of Interfund With Current Fund**  
**Sewer Operating Fund**

D-30

|   | <u>Ref.</u> |                  |                     |
|---|-------------|------------------|---------------------|
| <b><u>Balance</u></b> - December 31, 2015 (Due From Current Fund) | D           |                  | 25,003.93           |
| <b><u>Increased by</u></b>  |             |                  |                     |
| Cash Disbursement to Current Fund                                 | D-8:A-4     |                  | <u>176,089.22</u>   |
|   |             |                  | 201,093.15          |
| <b><u>Decreased by</u></b>  |             |                  |                     |
| Payment of Bond Anticipation Note by Current Fund                 | D-54        | 174,782.00       |                     |
| Payment of Note Interest by Current Fund                          | D-36        | 1,307.22         |                     |
| Cash Received from Current Fund                                   | D-8         | <u>99,003.93</u> |                     |
|   |             |                  | <u>275,093.15</u>   |
| <b><u>Balance</u></b> - December 31, 2016 (Due To Current Fund)   | D           |                  | \$ <u>74,000.00</u> |

**Schedule of Interfund With Sewer Operating Fund**  
**Sewer Capital Fund**

D-31

|  | <u>Ref.</u> |                  |                  |
|--|-------------|------------------|------------------|
| <b><u>Balance</u></b> - December 31, 2015              | D           |                  | .00              |
| <b><u>Increased by</u></b>                             |             |                  |                  |
| Interest Collected by Sewer Capital Fund               | D-4:D-8     | 160.99           |                  |
| Cash Received from Sewer Operating Fund                | D-8         | <u>40,000.00</u> |                  |
|  |             |                  | <u>40,160.99</u> |
|  |             |                  | 40,160.99        |
| <b><u>Decreased by</u></b>                             |             |                  |                  |
| Bond Anticipation Notes Issued by Sewer Operating Fund | D-54        | 40,000.00        |                  |
| Cash Disbursed to Sewer Operating Fund                 | D-8:D-13    | <u>160.99</u>    |                  |
|  |             |                  | <u>40,160.99</u> |
| <b><u>Balance</u></b> - December 31, 2016              | D           |                  | \$ <u>.00</u>    |

**Borough of Deal, NJ**  
**Sewer Utility Fund**  
**Schedule of 2015 Appropriation Reserves**

D-34

|                        | <u>Balance</u><br>Dec. 31<br>2015 | <u>Balance</u><br>After<br>Transfers | <u>Paid or</u><br><u>Charged</u> | <u>Balance</u><br><u>Lapsed</u> |
|------------------------|-----------------------------------|--------------------------------------|----------------------------------|---------------------------------|
| Salaries and Wages     | 106,997.33                        | 106,997.33                           | .00                              | 106,997.33                      |
| Other Expenses         | 350,586.23                        | 350,586.23                           | 8,690.89                         | 341,895.34                      |
| Social Security System | <u>8,739.35</u>                   | <u>8,739.35</u>                      | <u>.00</u>                       | <u>8,739.35</u>                 |
|                        | <u>\$466,322.91</u>               | <u>466,322.91</u>                    | <u>8,690.89</u>                  | <u>457,632.02</u>               |
| <u>Ref.</u>            | D                                 |                                      | D-8                              | D-1                             |

**Schedule of Accounts Payable - Sewer Operating Fund**

D-35

|   |                  |              |
|---|------------------|--------------|
| <b><u>Balance</u></b> - December 31, 2016 and December 31, 2015 | <u>Ref.</u><br>D | \$716,913.47 |
| No Change in 2016   |                  |              |

**Schedule of Accrued Interest on Bond Anticipation Notes**

D-36

|  |                  |                             |
|--|------------------|-----------------------------|
| <b><u>Balance</u></b> - December 31, 2015  | <u>Ref.</u><br>D | 330.41                      |
| <b><u>Increased by</u></b>                 |                  |                             |
| Budget Appropriation for Interest on Notes | D-5              | <u>1,400.00</u><br>1,730.41 |
| <b><u>Decreased by</u></b>                 |                  |                             |
| Interest Paid                              | D-30             | 1,307.22                    |
| Cancelled                                  | D-5              | <u>423.19</u><br>1,730.41   |
| <b><u>Balance</u></b> - December 31, 2016  | D                | \$ <u>.00</u>               |

**Analysis of Accrued Interest on December 31, 2016**

|                         | <u>Ref.</u> | <u>Interest</u><br><u>Rate</u> | <u>From</u> | <u>To</u> | <u>Period</u> | <u>Amount</u>    |
|-------------------------|-------------|--------------------------------|-------------|-----------|---------------|------------------|
| Bond Anticipation Notes |             |                                |             |           |               |                  |
| \$174,782.00            | D-36:D-30   | .75%                           | 10/01/15    | 09/30/16  | 12 Months     | 1,307.22         |
| Less: Accrued Interest  | D-36        |                                | 10/01/15    | 12/31/15  | 3 Months      | <u>(330.41)</u>  |
| Accrued Interest        | D-5         |                                | 01/01/16    | 09/30/16  | 9 Months      | <u>\$ 976.81</u> |

Borough of Deal, NJ  
Sewer Utility Fund  
Schedule of Sewer Utility Rent Overpayments

D-38

|  | <u>Ref.</u> |                   |
|--|-------------|-------------------|
| <b><u>Balance</u></b> - December 31, 2015  | D           | 1,668.06          |
| <b><u>Increased by</u></b>                 |             |                   |
| Overpayments in 2016                       | D-8         | <u>1,909.33</u>   |
|  |             | 3,577.39          |
| <b><u>Decreased by</u></b>                 |             |                   |
| Application to Consumer Account Receivable | D-14        | <u>1,668.06</u>   |
| <b><u>Balance</u></b> - December 31, 2016  | D           | <u>\$1,909.33</u> |

Schedule of Sewer Utility Prepaid Rents

D-39

|   | <u>Ref.</u> |               |
|---|-------------|---------------|
| <b><u>Balance</u></b> - December 31, 2015   | D           | 169.06        |
| <b><u>Increased by</u></b>                  |             |               |
| Collected in 2016                           | D-8         | <u>76.00</u>  |
|   |             | 245.06        |
| <b><u>Decreased by</u></b>                  |             |               |
| Application to Consumer Accounts Receivable | D-14        | <u>245.06</u> |
| <b><u>Balance</u></b> - December 31, 2016   | D           | <u>\$ .00</u> |

Borough of Deal, NJ  
Sewer Utility Fund  
Schedule of Improvement Authorizations

D-43

| Improvement Description  | Date     | Amount     | 2016 Authorizations |            |              |            |           |                |                   |          |            |
|--|----------|------------|---------------------|------------|--------------|------------|-----------|----------------|-------------------|----------|------------|
|  |          |            | Balance             |            | Down Payment | Deferred   | Paid or   | Authorizations | Balance           |          |            |
|  |          |            | December 31, 2015   |            | Or Capital   | Charges to |           |                | December 31, 2016 |          |            |
|  |          |            | Funded              | Unfunded   | Improvement  | Future     |           |                | Funded            | Unfunded |            |
|  |          |            |                     |            | Fund         | Revenue    | Charged   | Cancelled      |                   |          |            |
| Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station-Ordn. #992   | 03/28/07 | 200,000.00 | .00                 | 10,568.91  | .00          | .00        | .00       | .00            | .00               | .00      | 10,568.91  |
| Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station-Ordn. #1010  | 04/22/08 | 100,000.00 | .00                 | 23,821.81  | .00          | .00        | .00       | .00            | .00               | .00      | 23,821.81  |
| Improvement of Sanitary Sewers - Ordn. #1054                                       | 11/30/11 | 200,000.00 | .00                 | 149,923.02 | .00          | .00        | 36,322.58 | .00            | .00               | .00      | 113,600.44 |
| Improvement of Sewer Utility Vehicles - Ordn. #1055                                | 11/30/11 | 50,000.00  | .00                 | 3,271.00   | .00          | .00        | .00       | .00            | .00               | .00      | 3,271.00   |
| Various Improvements to Sanitary Sewers - Ordn. #1064                              | 05/08/12 | 150,000.00 | .00                 | 56,364.31  | .00          | .00        | .00       | .00            | .00               | .00      | 56,364.31  |
| Purchase of Sanitary Sewer Equipment - Ordn. #1065                                 | 05/08/12 | 100,000.00 | .00                 | 86,850.00  | .00          | .00        | .00       | .00            | .00               | .00      | 86,850.00  |
| Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn.#1096 | 04/29/14 | 150,000.00 | .00                 | 129,706.01 | .00          | .00        | 9,422.50  | .00            | .00               | .00      | 120,283.51 |
|  |          |            | \$ .00              | 460,505.06 | .00          | .00        | 45,745.08 | .00            | .00               | .00      | 414,759.98 |
|  |          | Ref.       | D                   | D          | D-29:D-50    | D-29       | D-8       |                | D                 | D        |            |

Schedule of Sewer Capital Improvement Fund

D-45

| <u>Ref.</u>  |                    |
|--|--------------------|
| <u>Balance</u> - December 31, 2016 and December 31, 2015 | <u>\$50,000.00</u> |
| No Change in 2016  |                    |

Schedule of Reserve for Amortization

D-49

| <u>Ref.</u>  |                       |
|--|-----------------------|
| <u>Balance</u> - December 31, 2016 and December 31, 2015 | <u>\$2,278,888.25</u> |
| No Change in 2016  |                       |

Borough of Deal, NJ  
Sewer Utility  
Schedule of Deferred Reserve for Amortization

D-50

| Improvement Description  | Date of Ordinance | Balance               | Improvement    | State Aid          | Paid From Operating Budget      |                   | To Reserve for             | Balance             |
|--|-------------------|-----------------------|----------------|--------------------|---------------------------------|-------------------|----------------------------|---------------------|
|  |                   | Dec. 31, 2015         | Authorizations | Insurance Proceeds | Cost of Improvements Authorized | Bonds and Notes   | Amortization Fixed Capital | Dec. 31, 2016       |
| Improvements to the Sanitary Sewer in Poplar Avenue - Ordn. #902   | 05/14/02          | 350,000.00            | .00            | .00                | .00                             | .00               | .00                        | 350,000.00          |
| Improvements to the Sanitary Sewer Pumping Station - Ordn. #903  | 05/14/02          | 100,000.00            | .00            | .00                | .00                             | .00               | .00                        | 100,000.00          |
| Various Improvements to Sanitary Sewers - Ordn. #904   | 05/14/02          | 50,000.00             | .00            | .00                | .00                             | .00               | .00                        | 50,000.00           |
| Improvements to the Sanitary Sewer Pumping Station - Ordn. #921  | 04/08/03          | 100,000.00            | .00            | .00                | .00                             | .00               | .00                        | 100,000.00          |
| Various Improvements to Sanitary Sewers - Ordn. #922   | 04/08/03          | 150,000.00            | .00            | .00                | .00                             | .00               | .00                        | 150,000.00          |
| Various Improvements to Sanitary Sewers - Ordn. #927   | 12/23/03          | 150,000.00            | .00            | .00                | .00                             | .00               | .00                        | 150,000.00          |
| Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #937  | 03/23/04          | 250,000.00            | .00            | .00                | .00                             | .00               | .00                        | 250,000.00          |
| Various Improvements to Sanitary Sewers - Ordn. #938   | 03/23/04          | 100,000.00            | .00            | .00                | .00                             | .00               | .00                        | 100,000.00          |
| Various Improvements to Sanitary Sewers - Ordn. #953   | 04/05/05          | 200,000.00            | .00            | .00                | .00                             | .00               | .00                        | 200,000.00          |
| Various Improvements to Sanitary Sewers - Ordn. #959   | 11/22/05          | 50,000.00             | .00            | .00                | .00                             | .00               | .00                        | 50,000.00           |
| Various Improvements to Sanitary Sewers - Ordn. #969   | 04/11/06          | 200,000.00            | .00            | .00                | .00                             | .00               | .00                        | 200,000.00          |
| Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #970  | 04/11/06          | 150,000.00            | .00            | .00                | .00                             | .00               | .00                        | 150,000.00          |
| Various Improvements to Sanitary Sewers - Ordn. #991   | 03/28/07          | 200,000.00            | .00            | .00                | .00                             | .00               | .00                        | 200,000.00          |
| Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #992                                 | 03/28/07          | 189,431.09            | .00            | .00                | .00                             | .00               | .00                        | 189,431.09          |
| Various Improvements to Sanitary Sewers - Ordn. #1009  | 04/22/08          | 150,000.00            | .00            | .00                | .00                             | .00               | .00                        | 150,000.00          |
| Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1010                                | 04/22/08          | 76,178.19             | .00            | .00                | .00                             | .00               | .00                        | 76,178.19           |
| Purchase of Sewer Utility Vehicle - Ordn. #1011  | 04/22/08          | 50,000.00             | .00            | .00                | .00                             | .00               | .00                        | 50,000.00           |
| Improvement of Sanitary Sewers - Ordn. #1054   | 11/30/11          | 49,656.98             | .00            | .00                | 420.00                          | .00               | .00                        | 50,076.98           |
| Improvement of Sewer Utility Vehicles - Ordn. #1055  | 11/30/11          | 46,729.00             | .00            | .00                | .00                             | .00               | .00                        | 46,729.00           |
| Various Improvements to Sanitary Sewers - Ordn. #1064  | 05/08/12          | 93,635.69             | .00            | .00                | .00                             | .00               | .00                        | 93,635.69           |
| Purchase of Sanitary Sewer Equipment - Ordn. #1065   | 05/08/12          | 5,000.00              | .00            | .00                | 8,150.00                        | .00               | .00                        | 13,150.00           |
| Reconstruction & Various Repairs & Improvements to the Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1071 | 03/01/13          | 825,218.00            | .00            | .00                | .00                             | 174,782.00        | .00                        | 1,000,000.00        |
| Various Improvements to the Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1096                            | 04/29/14          | 7,500.00              | .00            | .00                | 12,793.99                       | .00               | .00                        | 20,293.99           |
|  |                   | <u>\$3,543,348.95</u> | <u>.00</u>     | <u>.00</u>         | <u>21,363.99</u>                | <u>174,782.00</u> | <u>.00</u>                 | <u>3,739,494.94</u> |
|  | <u>Ref.</u>       | D                     | D-43           |                    | D-5;D-56                        | D-54              |                            | D                   |

Borough of Deal, N.J.  
Sewer Utility  
Schedule of Bond Anticipation Notes

D-54

| Ordinance<br>Number | Improvement Description   | Original<br>Date | Present<br>Issue<br>Date | Due<br>Date | Interest<br>Rate | Balance<br>Dec. 31, 2015 | Issued           | Paid              | Cancelled  | Balance<br>Dec. 31, 2016 |
|---------------------|---|------------------|--------------------------|-------------|------------------|--------------------------|------------------|-------------------|------------|--------------------------|
| 1071                | Reconstruction & Various Repairs & Improvements to Roosevelt Ave.<br>Sanitary Sewer Pumping Station | 12/05/13         | 10/01/15                 | 09/30/16    | .75%             | 174,782.00               | .00              | 174,782.00        | .00        | .00                      |
| 1054                | Improvement of Sanitary Sewers  | 12/14/16         | 12/14/16                 | 12/13/17    | None             | .00                      | 35,725.00        | .00               | .00        | 35,725.00*               |
| 1096                | Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping<br>Station                            | 12/14/16         | 12/14/16                 | 12/13/17    | None             | .00                      | 4,275.00         | .00               | .00        | 4,275.00*                |
|                     |   |                  |                          |             |                  | <u>\$174,782.00</u>      | <u>40,000.00</u> | <u>174,782.00</u> | <u>.00</u> | <u>40,000.00</u>         |
|                     |   |                  | <u>Ref.</u>              |             |                  | D                        | D-31:D-56        | D-5:D-50:<br>D-30 |            | D                        |

\*Due to Sewer Operating Fund

Schedule of Bonds and Notes Authorized But Not Issued

D-56

| Date of<br>Ordinance | Improvement Description   | Balance<br>Dec. 31, 2015 | Authorizations     | State and<br>Municipal Aid | Bond<br>Anticipation<br>Notes Issued | Paid from<br>Operating Budget<br>Cost of<br>Improvements<br>Authorized | Balance<br>Dec. 31, 2016 |
|----------------------|---|--------------------------|--------------------|----------------------------|--------------------------------------|--|--------------------------|
| 03/28/07             | Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #992  | 10,568.91                | .00                | .00                        | .00                                  | .00  | 10,568.91                |
| 04/22/08             | Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1010 | 23,821.81                | .00                | .00                        | .00                                  | .00  | 23,821.81                |
| 11/30/11             | Improvement of Sanitary Sewers - Ordn. #1054  | 150,343.02               | .00                | .00                        | 35,725.00                            | 420.00   | 114,198.02               |
| 11/30/11             | Improvement of Sewer Utility Vehicles - Ordn. #1055                                 | 3,271.00                 | .00                | .00                        | .00                                  | .00  | 3,271.00                 |
| 05/08/12             | Various Improvements to Sanitary Sewers - Ordn. #1064                               | 56,364.31                | .00                | .00                        | .00                                  | .00  | 56,364.31                |
| 05/08/12             | Purchase of Sanitary Sewer Equipment - Ordn. #1065                                  | 95,000.00                | .00                | .00                        | .00                                  | 8,150.00   | 86,850.00                |
| 04/29/14             | Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1096 | <u>142,500.00</u>        | <u>.00</u>         | <u>.00</u>                 | <u>4,275.00</u>                      | <u>12,793.99</u>   | <u>125,431.01</u>        |
|                      |   | <u>\$481,869.05</u>      | <u>.00</u>         | <u>.00</u>                 | <u>40,000.00</u>                     | <u>21,363.99</u>   | <u>420,505.06</u>        |
|                      |   | <u>Ref.</u>              | Footnote D<br>2015 | D-43                       | D-54                                 | D-5:D-50   | Footnote D<br>2016       |



## COMPARATIVE DATA

**Borough of Deal, NJ**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND**  
**BALANCE - REGULATORY BASIS - CURRENT FUND**

|   | Year 2016              |               | Year 2015            |               |
|---|------------------------|---------------|----------------------|---------------|
|   | Amount                 | %             | Amount               | %             |
| <b>Revenue (Cash Basis)</b>                     |                        |               |                      |               |
| Fund Balance Utilized                           | 820,000.00             | 4.12          | 820,000.00           | 4.18          |
| Miscellaneous - From other than                 |                        |               |                      |               |
| Local Property Tax Levies                       | 5,186,823.76           | 26.02         | 4,649,920.33         | 23.73         |
| Collection of Delinquent Taxes and              |                        |               |                      |               |
| Tax Title Liens                                 | 277,692.61             | 1.39          | 309,225.52           | 1.58          |
| Collection of Current Tax Levy                  | <u>13,646,818.56</u>   | <u>68.47</u>  | <u>13,817,173.96</u> | <u>70.51</u>  |
| <b>Total Funds</b>                              | <u>\$19,931,334.93</u> | <u>100.00</u> | <u>19,596,319.81</u> | <u>100.00</u> |
| <b>Expenditures (Accrual Basis)</b>             |                        |               |                      |               |
| Budget Expenditures                             |                        |               |                      |               |
| Municipal Purposes                              | 9,871,905.06           | 54.54         | 9,949,674.30         | 54.37         |
| County Taxes                                    | 6,165,780.56           | 34.06         | 6,337,486.62         | 34.63         |
| Local School Taxes                              | 1,967,702.00           | 10.87         | 1,967,702.00         | 10.75         |
| Other Expenditures                              | <u>95,550.63</u>       | <u>.53</u>    | <u>44,501.07</u>     | <u>.25</u>    |
| <b>Total Expenditures</b>                       | <u>18,100,938.25</u>   | <u>100.00</u> | <u>18,299,363.99</u> | <u>100.00</u> |
| Less: Expenditures to be Raised by Future Taxes | <u>.00</u>             |               | <u>.00</u>           |               |
| <b>Total Adjusted Expenditures</b>              | <u>18,100,938.25</u>   |               | <u>18,299,363.99</u> |               |
| <b>Excess in Revenue</b>                        | 1,830,396.68           |               | 1,296,955.82         |               |
| <b>Fund Balance - January 1</b>                 | <u>2,207,042.42</u>    |               | <u>1,730,086.60</u>  |               |
|   | 4,037,439.10           |               | 3,027,042.42         |               |
| Less: Utilized as Anticipated Revenue           | <u>820,000.00</u>      |               | <u>820,000.00</u>    |               |
| <b>Fund Balance - December 31</b>               | <u>\$ 3,217,439.10</u> |               | <u>2,207,042.42</u>  |               |

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND**  
**BALANCE - REGULATORY BASIS - SEWER UTILITY OPERATING FUND**

|   | Year 2016           |               | Year 2015           |               |
|---|---------------------|---------------|---------------------|---------------|
|   | Amount              | %             | Amount              | %             |
| <b>Revenue (Cash Basis)</b>                 |                     |               |                     |               |
| Fund Balance Utilized                       | 35,000.00           | 2.07          | .00                 | .00           |
| Collection of Sewer Rents                   | 1,152,328.93        | 67.98         | 1,227,874.01        | 95.60         |
| Miscellaneous - From other than Sewer Rents | <u>507,668.33</u>   | <u>29.95</u>  | <u>56,520.45</u>    | <u>4.40</u>   |
| <b>Total Funds</b>                          | <u>1,694,997.26</u> | <u>100.00</u> | <u>1,284,394.46</u> | <u>100.00</u> |
| <b>Expenditures (Accrual Basis)</b>         |                     |               |                     |               |
| Budget Expenditures                         |                     |               |                     |               |
| Operating                                   | 993,650.00          | 80.57         | 993,650.00          | 85.03         |
| Capital Improvements                        | .00                 | .00           | .00                 | .00           |
| Debt Service                                | 175,758.81          | 14.25         | 73,461.49           | 6.29          |
| Deferred Charges and                        |                     |               |                     |               |
| Statutory Expenditures                      | <u>63,863.99</u>    | <u>5.18</u>   | <u>101,461.52</u>   | <u>8.68</u>   |
| <b>Total Expenditures</b>                   | <u>1,233,272.80</u> | <u>100.00</u> | <u>1,168,573.01</u> | <u>100.00</u> |
| Less: Expenditures to be Raised             |                     |               |                     |               |
| By Future Revenue                           | <u>.00</u>          |               | <u>.00</u>          |               |
| <b>Total Adjusted Expenditures</b>          | <u>1,233,272.80</u> |               | <u>1,168,573.01</u> |               |

**Borough of Deal, NJ**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND**  
**BALANCE - REGULATORY BASIS - SEWER UTILITY OPERATING FUND - (Continued)**

|   | Year 2016            |          | Year 2015         |          |
|---|----------------------|----------|-------------------|----------|
|   | <u>Amount</u>        | <u>%</u> | <u>Amount</u>     | <u>%</u> |
| <b>Excess in Revenue</b>  | 461,724.46           |          | 115,821.45        |          |
| <b>Fund Balance - January 1</b>                                       | <u>567,861.86</u>    |          | <u>452,040.41</u> |          |
|   | <u>1,029,586.32</u>  |          | <u>567,861.86</u> |          |
| <b>Less: Utilized as Anticipated Revenue in</b><br>Sewer Utility Fund | 35,000.00            |          | .00               |          |
| Utilized as Anticipated Revenue in                                    |                      |          |                   |          |
| Current Fund Budget   | <u>.00</u>           |          | <u>.00</u>        |          |
|   | <u>35,000.00</u>     |          | <u>.00</u>        |          |
| <b>Fund Balance - December 31</b>                                     | <u>\$ 994,586.32</u> |          | <u>567,861.86</u> |          |

**COMPARISON OF TAX RATE INFORMATION**

| <u>Tax Rate</u>                                       | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|
| (Adjusted) General<br>Per \$100 of Assessed Valuation | <u>.70</u>  | <u>.72</u>  | <u>.71</u>  |

**Apportionment of Tax Rate**

|              |            |            |            |
|--------------|------------|------------|------------|
| Municipal    | <u>.29</u> | <u>.29</u> | <u>.30</u> |
| County       | <u>.31</u> | <u>.33</u> | <u>.30</u> |
| Local School | <u>.10</u> | <u>.10</u> | <u>.11</u> |

**Assessed Valuations**

|      |                        |                      |
|------|------------------------|----------------------|
| 2016 | <u>\$1,995,347,855</u> |                      |
| 2015 | <u>1,969,805,619</u>   |                      |
| 2014 |                        | <u>1,826,814,992</u> |

**COMPARISON OF TAX LEVIES AND COLLECTION**

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

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of<br/>Collection</u> |
|-------------|-----------------|--------------------|-------------------------------------|
| 2016        | \$14,016,967.38 | 13,646,818.56      | 97.36%                              |
| 2015        | 14,091,734.20   | 13,817,173.96      | 98.05%                              |
| 2014        | 13,094,265.76   | 12,785,034.70      | 97.64%                              |

Borough of Deal, NJ

COMPARISON OF DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years including 2016.

| <u>Dec. 31<br/>Year</u> | <u>Amount of<br/>Tax Title<br/>Liens</u> | <u>Amount of<br/>Delinquent<br/>Taxes</u> | <u>Total<br/>Delinquent</u> | <u>Percentage of<br/>Tax Levy</u> |
|-------------------------|--|---|-----------------------------|-----------------------------------|
| 2016                    | 240.46                                   | 351,834.05                                | 352,074.51                  | 2.51%                             |
| 2015                    | .00                                      | 252,210.49                                | 252,210.49                  | 1.79%                             |
| 2014                    | .00                                      | 309,225.52                                | 309,225.52                  | 2.36%                             |

COMPARATIVE SCHEDULE OF FUND BALANCES

| <u>Year</u> | <u>Current Fund</u> | <u>Utilized in<br/>Budget of<br/>Succeeding Year</u> | <u>Sewer<br/>Utility</u> | <u>Utilized in<br/>Budget of<br/>Succeeding Year</u> |
|-------------|---------------------|--|--------------------------|--|
| 2016        | 3,217,439.10        | 820,000.00   | 994,586.32               | .00  |
| 2015        | 2,207,042.42        | 820,000.00   | 567,861.86               | 35,000.00  |
| 2014        | 1,730,086.60        | 820,000.00   | 452,040.41               | .00  |
| 2013        | 1,023,994.95        | 820,000.00   | 534,715.06               | 64,000.00  |
| 2012        | 1,096,367.30        | 803,231.00   | 698,081.44               | 200,000.00   |

**BOROUGH OF DEAL, NJ**

**COUNTY OF MONMOUTH**

**PART II**

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Member

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

To the Honorable Mayor and Commissioners  
Borough of Deal  
Deal, New Jersey

We have audited the financial statements - regulatory basis of the Borough of Deal, State of New Jersey (the "Borough") as of and for the year ended December 31, 2016, and have issued our report thereon dated June 15, 2017 in which we expressed an adverse opinion on the conformity of the financial statements with accounting principles generally accepted in the United States of America and a regulatory basis opinion qualified for the Fixed Asset Account Group not being audited. As described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements - regulatory basis, we considered the Borough of Deal, State of New Jersey'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 of Deal, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Deal, State of New Jersey's internal control.

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

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.

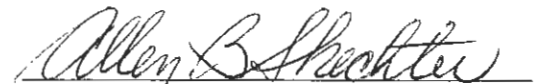
## Compliance and Other Matters

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

We noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Deal in the accompanying comments and recommendations section of this report.

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



Allen B. Shechter, R.M.A. #509

ALVINO & SHECHTER, L.L.C.

Certified Public Accountants

Neptune, New Jersey  
June 15, 2017

**Borough of Deal, NJ**  
**Schedule of Findings and Questioned Costs**

**Year Ended December 31, 2016**

**Summary of Auditor's Results:**

A modified opinion was issued on the Borough's financial statement prepared on the regulatory basis of accounting.

The audit did not disclose significant deficiencies in the internal controls of the Borough.

The Borough was not subject to the single audit provisions of Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08 for 2016 as grant expenditures were less than the single audit thresholds identified in the regulations and circular.

**Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:**

The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

**Findings and Questioned Costs for Federal Awards:**

Not Applicable

**Findings and Questioned Costs for State Awards:**

Not Applicable



**GENERAL COMMENTS &  
RECOMMENDATIONS**

**Borough of Deal, NJ**  
**General Comments**

**Year Ended December 31, 2016**

An audit of the financial accounts and transactions of the Borough of Deal, in the County of Monmouth, for the year ended December 31, 2016, has recently been completed. The results of the audit are herewith set forth.

**SCOPE OF AUDIT**

The audit covered the financial transactions of the Chief Financial Officer's office, the activities of the Mayor and Commissioners 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 balances were reconciled with independent certifications obtained directly from the depositories.

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

Our audit was made in accordance with generally accepted auditing standards and in compliance with the requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and 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 or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding the aggregate \$40,000.00 (with Qualified Purchasing Agent), except by contract or agreement".

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

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

- Improvements to the Marine Place Drainage
- Replacing the Pool Drain at Deal Casino Beach Club
- Purchase of 2016 Chevrolet Tahoe Police Vehicle
- Preparation of Master Plan Reexamination Report and Geographic Information System
- Replacement of Storm Water Outfall Pipe at Easterly Terminus of Neptune Avenue
- Purchase of 200 Sycamore Trees for Replacement in Borough
- Replacement of Curbing Along Marine Place
- Installation of Stamped Concrete Walkways within Deal Casino Beach Club
- Operation of the Deal Casino Beach Club Snack Bar
- Operation of W. Stanley Conover Beach Club Snack Bar
- Replacement of Front Concrete Apron at Deal Fire House

The minutes and vouchers indicate compliance with the Local Public Contract Law N.J.S. 40A:11-6.1 for the purchase of materials and services between \$6,000 (with Qualified Purchasing Agent) and the bid limit.

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

**Borough of Deal, NJ**  
**General Comments - (Continued)**

**CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S. 40A:11-4 - (Continued)**

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed and my examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid limit "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously adopted under the provision of N.J.S.40A:11-6.

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS**

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

The governing body adopted a resolution on January 11, 2016 authorizing interest to be charged on delinquent taxes at the rate of eight (8%) percent per annum computed on the first \$1,500.00 of such delinquency and at the rate of eighteen (18%) percent per annum computed on any amount of such delinquency in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000.00 on taxpayers that fail to pay the delinquency prior to the end of the calendar year. In addition thereto no interest shall be charged on any installment of taxes which is paid by cash, check or money order within ten (10) days after the date upon which said installment of taxes became payable.

It appears from an examination of the Collector's records on a test-check basis that interest was collected in accordance with the foregoing resolution.

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

| <u>Year</u> | <u>Number<br/>Of Liens</u> |
|-------------|----------------------------|
| 2016        | 1                          |
| 2015        | 0                          |
| 2014        | 0                          |

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

**TAX TITLE LIENS**

There was one lien on December 31, 2016.

**Borough of Deal, NJ**  
**General Comments - (Continued)**

**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> |
|-------------|---------------|
| 2016        | \$ .00        |
| 2015        | .00           |
| 2014        | .00           |

Every effort should be made to return any of the above such properties to a tax paying basis.

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST**  
**FOR THE NEXT FIVE YEARS FOR BONDED DEBT ISSUED AND OUTSTANDING**

| <u>Year</u> | <u>General</u> | <u>Utilities</u> |
|-------------|----------------|------------------|
| 2017        | .00            | .00              |
| 2018        | .00            | .00              |
| 2019        | .00            | .00              |
| 2020        | .00            | .00              |
| 2021        | .00            | .00              |

Borough of Deal, NJ  
Recommendations

Year Ended December 31, 2016

Chief Financial Officer's Office

During the course of the audit we noted the following:

**2016-1**      \*Interfunds existed at year end.

We recommend:

**2016-1**      That interfund receivables and payables be eliminated wherever possible by the transfer of cash funds.

\*This reportable condition existed in prior year audit.

**Borough of Deal, NJ**  
**Status of Prior Year's Audit Findings and Recommendations**

A review was performed on all prior year's recommendations. Corrective action was not taken on the following prior year recommendations:

That interfund receivables and payables be eliminated wherever possible by the transfer of cash funds.

The problems and weaknesses noted in this review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to these comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Appreciation

We wish to express our appreciation of the assistance and courtesies rendered by the Borough officials during the course of the audit.

Very truly yours,

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Allen B. Shechter, R.M.A. #509  
ALVINO & SHECHTER, L.L.C.

Neptune, New Jersey  
June 15, 2017