

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

**YEAR ENDED**

**DECEMBER 31, 2016**

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

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

**Year Ended December 31, 2016**

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**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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**COUNTY OF MONMOUTH**  
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**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS**

**FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

# *Oliwa & Company*

Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of the Council  
Borough of Eatontown  
County of Monmouth  
Eatontown, New Jersey

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

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

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

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

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

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

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

As described in Note 1, the Borough prepares its financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

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

## **Basis for Qualified Opinion on the General Fixed Assets Account Group**

The Borough does not comply with the general fixed assets capitalization policies as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Borough has not valued all fixed assets acquired after December 31, 1985 at actual cost. It was not practicable to determine the effects of capitalizing all fixed assets acquired after December 31, 1985 at actual cost.

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on the General Fixed Assets Account Group paragraph, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the General Fixed Assets Account Group of the Borough as of December 31, 2016 and 2015 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## **Basis for Qualified Opinion on the Trust Fund**

The financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 10.02% and 9.59% of the assets, and liabilities, reserves and net assets of the Borough's Trust Fund as of December 31, 2016 and 2015, respectively.

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on the Trust Fund paragraph, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the Trust Fund of the Borough as of December 31, 2016 and 2015 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Unmodified Opinions on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Current Fund and the General Capital Fund of the Borough as of December 31, 2016 and 2015, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis for the year ended December 31, 2016 and the statement of expenditures - regulatory basis for the year ended December 31, 2016 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Other Matters**

Our audits were conducted for the purpose of forming opinions on the financial statements, which collectively comprise the Borough's financial statements. The supplementary schedules and comments section as listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a part of the basic financial statements.

The supplementary schedules and comments section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, except for the LOSAP Fund and General Fixed Assets Account Group supplementary schedules, the information is fairly stated, in all material respects in relation to the basic financial statements as a whole, based on the accounting principles and practices of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2017 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.



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

*Oliwa & Company*

Freehold, New Jersey  
October 24, 2017

# *Oliwa & Company*

Certified Public Accountants

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

To the Honorable Mayor and  
Members of the Council  
Borough of Eatontown  
County of Monmouth  
Eatontown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough") as of and for the year ended December 31, 2016, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated October 24, 2017, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund and General Capital Fund as to conformity with the financial reporting provisions of the Division, a qualified opinion on the regulatory basis financial statements of the General Fixed Assets Account Group as to conformity with the financial reporting provisions of the Division, and a qualified opinion on the regulatory basis financial statements of the Trust Fund because the Length of Service Award Program Fund was not audited.

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

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

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

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

deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

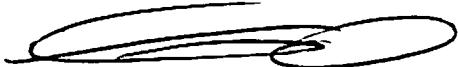
## **Compliance and Other Matters**

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

However, we noted certain other internal control and compliance matters that we have reported to the management of the Borough in the accompanying comments and recommendations section.

## **Purpose of this Report**

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

*Oliwa & Company*

Freehold, New Jersey  
October 24, 2017

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents:			
Cash - Treasurer	A-4	\$6,276,295	\$5,824,761
Change Funds		300	300
		<u>6,276,595</u>	<u>5,825,061</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	382,461	691,236
Tax Title Liens Receivable	A-7	112,361	103,664
Property Acquired for Taxes - Assessed Valuation		201,300	201,300
Revenue Accounts Receivable	A-8	41,163	53,002
Due from Animal Control Fund		28	
Due from Payroll Fund			112,125
Due from General Capital Fund			131
Due from Federal and State Grant Fund		348,378	406,018
	A	<u>1,085,691</u>	<u>1,567,476</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-53)		132,000	176,000
Emergency Authorizations (40A:4-47)		33,750	
Expenditure without Appropriation		4,180	
		<u>169,930</u>	<u>176,000</u>
		<u>7,532,216</u>	<u>7,568,537</u>
Federal and State Grant Fund:			
Grants Receivable	A-13	560,658	880,396
		<u>\$8,092,874</u>	<u>\$8,448,933</u>

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Appropriation Reserves	A-3:A-9	\$1,976,392	\$1,427,975
Reserve for Encumbrances	A-12	495,761	187,985
Reserve for Tax Appeals		171,339	121,339
Reserve for Outside Liens		13,933	5,754
Reserve for FEMA		193,659	193,659
Reserve for Revaluation			94,000
Accounts Payable		5,698	3,741
Due State - Uniform Construction Code Fees		6,432	6,611
Due State - Marriage Licenses		850	375
Due State - Elevator Inspection Fees		428	4,440
Local District School Tax Payable	A-10		150,229
Regional High School Tax Payable	A-11	1	1
Prepaid Taxes		233,495	339,000
Tax Overpayments		22,906	44,403
Due to Other Trust Fund		15,836	9,067
Due County for Added and Omitted Taxes		26,113	40,154
Due to State of New Jersey (PL 1971, Ch.20)		42,197	40,084
		<hr/> 3,205,040	<hr/> 2,668,817
Reserve for Receivables and Other Assets	A	1,085,691	1,567,476
Fund Balance	A-1	<hr/> 3,241,485	<hr/> 3,332,244
		<hr/> 7,532,216	<hr/> 7,568,537
 Federal and State Grant Fund:			
Appropriated Reserves	A-14	212,280	447,859
Due to Current Fund		348,378	406,018
Reserve for Encumbrances	A-14		26,516
Unappropriated Reserves	A-15		3
		<hr/> 560,658	<hr/> 880,396
		<hr/> \$8,092,874	<hr/> \$8,448,933

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS**  
**AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2016 and 2015**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Anticipated	A-2	\$2,650,000	\$2,550,000
Miscellaneous Revenue Anticipated	A-2	4,428,886	4,653,384
Receipts from Delinquent Taxes	A-2	648,826	387,753
Receipts from Current Taxes	A-2	46,565,137	46,058,657
Non-Budget Revenues	A-2	484,093	527,816
Unexpended Balance of Appropriation Reserves	A-9	1,233,571	1,170,324
Other Credits to Income:			
Cancellation of Appropriated Grant Reserves	A-14	181,909	
Cancellation of Unappropriated Grant Reserves	A-15	3	
Outstanding Checks Voided		956	
Interfunds Returned		518,274	5,304
Total Revenue		<u>56,711,655</u>	<u>55,353,238</u>

**Expenditures**

Budget and Emergency Appropriations:

Operations:			
Salaries and Wages	A-3	10,036,730	9,524,049
Other Expenses	A-3	9,002,642	8,536,283
Capital Improvements	A-3	85,000	126,100
Municipal Debt Service	A-3	1,858,437	2,075,068
Deferred Charges and Statutory Expenditures	A-3	2,112,918	1,942,957
County Taxes		5,898,593	6,454,248
Local District School Tax	A-10	16,176,023	14,964,579
Regional High School Tax	A-11	8,491,654	8,486,883
Refunds	A-4	505	414
Expenditure without Appropriation		4,180	
Cancellation of Grants Receivable	A-13	175,256	
Interfunds Advanced		348,406	369,210
Total Expenditures		<u>54,190,344</u>	<u>52,479,791</u>

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS**  
**AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended Decembers 31, 2016 and 2015**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Excess in Revenue		\$2,521,311	\$2,873,447
<b>Adjustments to Income Before Fund Balance:</b>			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year		37,930	_____
Statutory Excess to Fund Balance		2,559,241	2,873,447
Fund Balance January 1	A	<u>3,332,244</u> <u>5,891,485</u>	<u>3,008,797</u> <u>5,882,244</u>
<b>Decreased by:</b>			
Utilized as Anticipated Revenue	A-1:A-2	<u>2,650,000</u>	<u>2,550,000</u>
Fund Balance December 31	A	<u>\$3,241,485</u>	<u>\$3,332,244</u>

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**  
**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>Ref.</b>	<b>Anticipated</b>		<b>Excess or (Deficit)</b>
		<b>Budget</b>	<b>Special</b>	
<b>Fund Balance Anticipated</b>	<b>A-1</b>	<b>\$2,650,000</b>	<b>Realized</b>	<b>\$2,650,000</b>
Miscellaneous Revenues:				
Alcoholic Beverage Licenses	A-8	37,000	37,938	\$938
Other Licenses	A-8	25,000	32,028	7,028
Fees and Permits	A-8	240,000	259,483	19,483
Municipal Court Fines and Costs	A-8	680,000	613,233	(66,767)
Interest and Costs on Taxes	A-8	77,500	98,903	21,403
Interest on Investments	A-8	750	49,905	49,155
Consolidated Municipal Property Tax Relief Act	A-8	48,090	48,090	
Energy Receipts Tax	A-8	1,416,525	1,416,525	
Uniform Construction Code Fees	A-8	530,000	478,956	(51,044)
Mechanical Garage - Eatontown Board of Education	A-8	4,000	5,888	1,888
Drunk Driving Enforcement Fund	A-13		\$4,738	4,738
Clean Communities Program	A-13		31,380	31,380
Municipal Alliance on Alcoholism and Drug Abuse	A-13		26,186	26,186
Safe and Secure Communities Program	A-13		60,000	60,000
Body Armor Fund	A-13		3,628	3,628
Drive Sober or Get Pulled Over	A-13	5,000	5,000	
Click It or Ticket	A-13		5,000	5,000
Fort Monmouth Economic Revitalization Authority	A-13		55,350	55,350
Recycling Tonnage	A-13	33,060	33,060	

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

Miscellaneous Revenues (continued):

Cooperative Housing Inspection Grant  
 Senior Citizens Housing (In Lieu of Taxes)  
 Borough Community Center Programs  
 Uniform Fire Safety Act  
 Hotel Tax  
 Cell Tower Agreements  
 CATV Franchise Fees

Receipts from Delinquent Taxes

Amount to be Raised by Taxes for  
 Support of Municipal Budget:

Local Tax for Municipal Purposes

Budget Totals

Non-Budget Revenues

Ref.	Anticipated			Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87	Realized	
A-8	\$3,500		\$6,691	\$3,191
A-8	204,000		197,204	(6,796)
A-8	270,000		266,056	(3,944)
A-8	55,602		86,851	31,249
A-8	230,000		253,071	23,071
A-8	250,000		259,784	9,784
A-8	93,938		93,938	
A-1	4,203,965	\$186,282	4,428,886	38,639
A-1:A-2	563,515		648,826	85,311
A-2:A-6	17,129,572		17,898,422	768,850
A-2	24,547,052	186,282	25,626,134	\$892,800
			484,093	
Ref.	\$24,547,052	\$186,282	\$26,110,227	
	A-3	A-3		

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<u>Ref.</u>
<b><u>Analysis of Realized Revenues</u></b>	
Allocation of Current Tax Collections:	
Revenue from Collections	A-1:A-6
Allocated to School and County Taxes	<u>30,283,479</u>
Balance for Support of Municipal Budget Appropriations	16,281,658
Add:	
Appropriation "Reserve for Uncollected Taxes"	A-3
Amount for Support of Municipal Budget Appropriations	<u>A-2</u>
	<u>1,616,764</u>
	<u>\$17,898,422</u>

**Receipts from Delinquent Taxes**

Delinquent Tax Collections	A-6	\$647,682
Tax Title Lien Collections	A-7	1,144
	<u>A-2</u>	<u>\$648,826</u>

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

**Analysis of Non-Budget Revenues**

Insurance Refund	\$190,951
Recreation Fees	63,206
Recycling	56,159
Other Police Fees	28,751
Trailer Tax	23,400
Board of Education Reimbursement	22,175
Police Outside Employment Administrative Fees	18,099
Senior Citizen Trips	11,833
Sale of Assets	11,430
Inspection of Buildings	11,351
Other Refunds and Reimbursements	9,780
Return of Non-Vested LOSAP Funds	8,986
Calendar Advertising	7,888
Police Impound Fees	7,323
Inspection Fines	2,643
Payment In Lieu of Taxes	2,000
Police Uniforms	1,728
Senior Citizens and Veterans Administrative Fee	1,690
Elections	1,600
Restitution	1,140
Planning Board	700
Community Center	700
Returned Check Fees	560
	<b><u>\$484,093</u></b>

**Ref.**      A-1:A-2:A-4

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>	
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>		
<b><u>Operations Within "CAPS"</u></b>						
General Government:						
Administrative and Executive:						
Salaries and Wages	\$238,000	\$224,200	\$218,192	\$6,008		
Other Expenses	27,910	24,910	17,550	7,360		
Labor Attorney:	21,000	21,000	17,844	3,156		
Mayor and Council:						
Salaries and Wages	65,300	65,300	58,837	6,463		
Other Expenses	6,400	5,750	3,095	1,305	\$1,350	
Advertising:						
Other Expenses	25,200	18,700	13,291	1,909	3,500	
Pride in Eatontown	2,990	2,990	2,456	534		
Elections:						
Salaries and Wages	1,950	1,950		450	1,500	
Other Expenses	4,440	4,440	1,461	2,979		
Municipal Clerk:						
Salaries and Wages	143,700	142,700	133,969	8,731		
Other Expenses	18,650	18,650	11,545	2,605	4,500	
Information Technology:						
Salaries and Wages	91,740	92,740	90,471	2,269		
Other Expenses	24,700	25,350	25,130	220		

See Accompanying Notes

**BOROUGH OF EATONTOWN  
COUNTY OF MONMOUTH  
STATE OF NEW JERSEY**

**CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b><u>Operations Within "CAPS"</u></b>					
Purchasing Department:					
Salaries and Wages	\$41,800	\$39,800	\$35,267	\$4,533	
Other Expenses	29,850	29,850	25,874	3,976	
Historical Association:					
Other Expenses	1,500	1,500	1,493	7	
Financial Administration:					
Salaries and Wages	182,215	174,215	165,345	8,870	
Other Expenses	54,800	52,800	46,881	5,919	
Tuition Reimbursements	33,000	32,000	4,068	32	\$27,900
Bond Registration Fees	3,000	3,000	2,387	613	
Audit Services	48,000	48,000	48,000		
Assessment of Taxes:					
Salaries and Wages	86,700	86,700	86,420	280	
Other Expenses (Emergency \$20,000)	18,700	45,200	42,661	2,539	
Monmouth County Assessment Demonstration Program (Emergency \$10,000)		10,000	10,000		
Collection of Taxes:					
Salaries and Wages	85,516	85,516	81,348	4,168	
Other Expenses	10,225	11,425	9,232	1,193	1,000

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b>Operations Within "CAPS"</b>					
Legal Services and Costs:					
Other Expenses	\$185,000	\$185,000	\$140,004	\$44,996	
Special Counsel	85,000	93,000	80,179	12,821	
Municipal Prosecutor					
Salaries and Wages	36,000	36,000	36,000		
Engineering Service and Costs:					
Miscellaneous Other Expenses	80,000	86,000	76,240	9,760	
Public Buildings and Grounds:					
Salaries and Wages	188,330	188,330	184,979	3,351	
Other Expenses	139,100	141,100	139,893	1,207	
Municipal Land Use Law (NJSA 40:55D-1)					
Planning Board:					
Salaries and Wages	2,450	2,450	500	1,950	
Other Expenses	26,900	42,700	28,436	14,264	
Board of Adjustment:					
Salaries and Wages	1,200	1,200	200	1,000	
Other Expenses	11,900	12,900	12,233	667	
Zoning Officer:					
Salaries and Wages	122,500	122,500	109,920	12,580	
Other Expenses	6,160	6,160	931	5,229	

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b><u>Operations Within "CAPS"</u></b>					
Shade Tree Commission:					
Salaries and Wages	\$77,680	\$82,680	\$79,325	\$3,355	
Other Expenses	16,500	16,500	9,495	7,005	
Environmental Program:					
Salaries and Wages	200	200		200	
Other Expenses	3,300	3,300	399	2,901	
Green Team	1,750	1,750		1,750	
Gypsy Moth Program:					
Other Expenses	100	100		100	
Public Safety:					
Fire:					
Salaries and Wages	5,970	5,970	3,050	2,920	
Fire Hydrant Service	139,128	141,128	128,989	12,139	
Miscellaneous Other Expenses	85,250	76,250	61,163	9,087	\$6,000
Insurance:					
Group Insurance	3,704,686	3,704,686	3,050,634	654,052	
Health Benefit Waiver	70,000	70,000	70,000		
Other Insurance	385,450	385,450	340,778	44,672	
Workman's Compensation	430,000	430,000	429,720	280	

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b>Operations Within "CAPS"</b>					
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	\$78,000	\$76,000	\$76,000		
Other Expenses	9,000	9,000	8,085	\$915	
Police:					
Salaries and Wages	5,402,366	5,402,366	5,314,136	88,230	
Other Expenses	255,000	245,000	232,444	12,556	
Tuition Reimbursement	17,500	17,500	6,102	11,398	
First Aid Organization Contribution:	32,438	30,438	28,911	1,527	
Demolition of Condemned and Unsafe Structures:					
Other Expenses	1,000				
Emergency Management Services:					
Salaries and Wages	3,264	3,264	3,264		
Other Expenses	9,400	7,400	5,673	1,727	
Road Repair and Maintenance:					
Salaries and Wages	994,600	994,600	918,859	75,741	
Other Expenses	98,000	98,000	90,248	7,752	
Snow Removal					
Other Expenses	10,000	23,000	15,000	8,000	
Municipal Court:					
Salaries and Wages	57,000	57,000	49,193	7,807	
Other Expenses	33,100	33,100	30,452	2,648	

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

<u>Operations Within "CAPS"</u>	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
Public Defender:					
Salaries and Wages	\$10,000	\$10,000	\$8,500	\$1,500	
Maintaining of Borough Equipment:					
Salaries and Wages	478,560	478,560	357,218	121,342	
Other Expenses	205,600	205,600	173,932	31,668	
Street Lighting:	137,700	137,700	109,993	27,707	
Monmouth County Reclamation Fees:	346,800	346,800	342,453	4,347	
Recycling - Contractual:					
Salaries and Wages	36,000	36,000	31,867	4,133	
Other Expenses	169,100	169,100	165,691	3,409	
Solid Waste Collection:					
Sanitation - Apartment Collection	255,000	255,000	237,407	17,593	
Sanitation - Residential Collection	150,000	150,000	112,326	37,674	
Health and Welfare:					
Monmouth City. Reg. Health Com. (NJS A 40:13)					
Salaries and Wages	8,750	8,750	336	1,414	\$7,000
Administration of Public Assistance:					
Other Expenses	1,750				

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b><u>Operations Within "CAPS"</u></b>					
Relocation:					
Other Expenses	\$1,500	\$300			\$300
Housing Inspection:					
Salaries and Wages	83,760	83,760	\$83,715	45	
Other Expenses	1,050	1,050	533	517	
Animal Control:					
Other Expenses	2,500	2,500	2,500		
Trap, Neuter, and Release					
Program (Emergency \$3,750)		3,750	3,750		
Recreation and Education:					
Parks:					
Salaries and Wages	531,000	521,750	473,983	47,767	
Other Expenses	68,750	68,750	62,496	6,254	
Recreation:					
Salaries and Wages	147,849	147,849	137,531	10,318	
Other Expenses	60,925	60,925	53,634	7,291	
Celebration of Public Events:					
Other Expenses	13,350	13,350	12,097	1,253	

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b><u>Operations Within "CAPS"</u></b>					
Borough Community Center:					
Salaries and Wages	\$233,770	\$233,770	\$217,876	\$15,894	
Other Expenses	33,650	33,650	26,678	6,972	
Miscellaneous Other Expenses:					
Youth Committee	2,800	2,800	1,448	1,352	
Tenant's Rights Committee	1,000				
Senior Citizen Programs:					
Salaries and Wages	55,590	55,590	25,204	30,386	
Other Expenses	17,875	17,875	16,501	1,374	
Uniform Construction Code -					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4.17)					
Inspection of Buildings:					
Salaries and Wages	380,620	380,620	352,502	28,118	
Other Expenses	26,855	26,855	14,224	12,631	

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	<b>Balance Canceled</b>
<b><u>Operations Within "CAPS"</u></b>					
Unclassified:					
Fuel for Motor Vehicles	\$275,400	\$275,400	\$113,805	\$161,595	
Salaries and Wages - Adjustment Program	60,000	60,000	59,931	69	
Business Advisory Committee	1,000	1,000		1,000	
Employee Sick Time Buy - Back	75,000	75,000	33,785	41,215	
Accumulated Absences	80,000	80,000	80,000		
Electricity	144,840	159,840	143,253	16,587	
Telephone	114,648	114,648	99,639	15,009	
Water	20,502	20,502	19,782	720	
Natural Gas	79,560	79,560	38,598	40,962	
Total Operations within "CAPS"	<u>18,385,562</u>	<u>18,419,312</u>	<u>16,527,440</u>	<u>1,839,122</u>	<u>\$52,750</u>
Contingent	<u>4,000</u>	<u>4,000</u>	<u>1,043</u>	<u>2,957</u>	
Total Operations Including Contingent within "CAPS"	<u><u>18,389,562</u></u>	<u><u>18,423,312</u></u>	<u><u>16,528,483</u></u>	<u><u>1,842,079</u></u>	<u><u>52,750</u></u>
Detail:					
Salaries and Wages	9,872,380	9,842,330	9,334,007	499,823	8,500
Other Expenses (Including Contingent)	<u>8,517,182</u>	<u>8,580,982</u>	<u>7,194,476</u>	<u>1,342,256</u>	<u>44,250</u>

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<u>Deferred Charges and Statutory Expenditures Within "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System of N.J.	\$479,118	\$479,118	\$478,117	\$1,001	
Social Security System (O.A.S.I.)	462,900	462,900	425,228	37,672	
Police and Firemen's Retirement System of N.J.	1,066,891	1,066,891	1,066,791	100	
Defined Contribution Retirement Program	16,123	16,123	10,919	5,204	
Early Retirement Incentive Program	35,386	35,386	34,384	1,002	
Unemployment Compensation Insurance	8,500	8,500	8,500		
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>2,068,918</u>	<u>2,068,918</u>	<u>2,023,939</u>	<u>44,979</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>20,458,480</u>	<u>20,492,230</u>	<u>18,552,422</u>	<u>1,887,058</u>	<u>\$52,750</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b><u>Operations Excluded from "CAPS"</u></b>					
Aid to Privately Owned Library 40:54-35:					
Salaries and Wages	\$67,400	\$67,400	\$65,388	\$2,012	
Other Expenses	9,704	9,704	7,406	2,298	
Telephone	2,500	2,500		2,500	
9-1-1 System (40A:4-45.3cc)					
Other Expenses	24,000	24,000	22,500	1,500	
Tax Appeal Reserve	50,000	50,000	50,000		
State Recycling Tax (C.311, P.L. 2007)	14,800	14,800	4,676	10,124	
NJDEP/Storm Water Mgt. (40A:4-45.3cc)	10,000	10,000	9,335	665	
Employee Group Health Insurance	62,564	62,564	62,564		
Length of Service Award Program - Fire	44,000	44,000		44,000	
Length of Service Award Program - First Aid	<u>18,000</u>	<u>18,000</u>		<u>18,000</u>	
Total Other Operations Excluded from "CAPS"	<u>302,968</u>	<u>302,968</u>	<u>221,869</u>	<u>81,099</u>	

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b><u>Operations Excluded from "CAPS"</u></b>					
Shared Service Agreements:					
Mechanical Garage - Eatontown					
Board of Education:					
Salaries and Wages	\$4,000	\$4,000			\$4,000
Municipal Court - Tinton Falls					
Salaries and Wages	128,000	128,000	\$127,265	735	
Total Shared Service Agreements	132,000	132,000	127,265	4,735	
Public and Private Programs Offset by Revenues:					
Clean Communities Program (40A:4-87, \$31,380+)		31,380	31,380		
Inspection of Buildings:					
Salaries and Wages	3,500	3,500			3,500
Drunk Driving Enforcement Fund					
(40A:4-87, \$4,738+)		4,738	4,738		
Body Armor Fund (40A:4-87, \$3,628+)		3,628	3,628		
Safe and Secure Communities					
Program (40A:4-87, \$60,000+)		60,000	60,000		
Municipal Alliance on Alcoholism					
and Drug Abuse (40A:4-87, \$26,186+)		26,186	26,186		
Recycling Tonnage	33,060	33,060	33,060		

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

**Operations Excluded from "CAPS"**

Public and Private Programs Offset by Revenues  
(Continued):

Click it or Ticket (40A:4-87, \$5,000+)

\$5,000

Fort Monmouth Economic Revitalization  
(40A:4-87, \$55,350+)

55,350

Drive Sober or get Pulled Over  
Matching Funds for Grants

\$5,000	5,000	5,000
6,000	6,000	6,000

Total Public and Private Programs  
Offset by Revenues

<u>47,560</u>	<u>233,842</u>	<u>230,342</u>	<u>\$3,500</u>
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Total Operations Excluded from "CAPS"

<u>482,528</u>	<u>668,810</u>	<u>579,476</u>	<u>89,334</u>
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**Detail:**

Salaries and Wages

202,900	202,900	192,653
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Other Expenses

279,628	465,910	386,823
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See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	<b>Balance Canceled</b>
<b><u>Capital Improvements Excluded from "CAPS"</u></b>					
Capital Improvement Fund	<u>\$85,000</u>	<u>\$85,000</u>	<u>\$85,000</u>		
Total Capital Improvements Excluded from "CAPS"	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>		
<b><u>Municipal Debt Service Excluded from "CAPS"</u></b>					
Payment of Bond Principal	1,257,000	1,257,000	1,257,000		
Interest on Bonds	425,000	425,000	424,474		\$526
Interest on Notes	10,000	10,000	8,686		1,314
Capital Lease Obligations					
Principal	149,800	149,800	149,800		
Interest	<u>18,480</u>	<u>18,480</u>	<u>18,477</u>		3
Total Municipal Debt Service Excluded from "CAPS"	<u>1,860,280</u>	<u>1,860,280</u>	<u>1,858,437</u>		<u>1,843</u>

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b><u>Deferred Charges Excluded from "CAPS"</u></b>					
Deferred Charges:					
Special Emergency Authorizations	<u>\$44,000</u>	<u>\$44,000</u>	<u>\$44,000</u>		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,471,808</u>	<u>2,658,090</u>	<u>2,566,913</u>	<u>\$89,334</u>	<u>\$1,843</u>
Subtotal General Appropriations	22,930,288	23,150,320	21,119,335	1,976,392	54,593
Reserve for Uncollected Taxes	<u>1,616,764</u>	<u>1,616,764</u>	<u>1,616,764</u>		
Total General Appropriations	<u><u>\$24,547,052</u></u>	<u><u>\$24,767,084</u></u>	<u><u>\$22,736,099</u></u>	<u><u>\$1,976,392</u></u>	<u><u>\$54,593</u></u>
	<b><u>Ref.</u></b>	<b><u>A-2</u></b>		<b><u>A-1</u></b>	<b><u>A:A-1</u></b>
Budget	A-3		\$24,547,052		
Appropriation by 40A:4-87	A-2		186,282		
Emergency Appropriation 40A:4-47			33,750		
			<u><u>\$24,767,084</u></u>		

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$1,616,764
Disbursed	A-4	20,298,685
Reserve for Encumbrances	A-12	495,761
Reserve for Grants Appropriated	A-14	230,889
Reserve for Tax Appeals		50,000
Deferred Charge - Special Emergency Authorization (40A:4-53)		44,000
		<u><u>\$22,736.099</u></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Assets</u></b>			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	<u>\$4,041</u>	<u>\$10,835</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-1	<u>3,625,347</u>	<u>3,696,690</u>
Due from Current Fund		<u>15,836</u>	<u>9,067</u>
		<u><u>3,641,183</u></u>	<u><u>3,705,757</u></u>
Length of Service Award			
Program Fund:			
(LOSAP) - Unaudited			
Investments	B-4	<u>405,968</u>	<u>394,392</u>
		<u><u>\$4,051,192</u></u>	<u><u>\$4,110,984</u></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Animal Control Fund:			
Due to State of New Jersey		\$22	\$4
Reserve for Animal Control Fund Expenditures	B-2	1,728	8,733
Due to Current Fund		28	
Prepaid Licenses		2,263	2,098
		<u>4,041</u>	<u>10,835</u>
Other Trust Fund:			
Reserve for Other Trust Fund Deposits	B-3	<u>3,641,183</u>	<u>3,705,757</u>
Length of Service Award			
Program Fund:			
(LOSAP) - Unaudited			
Reserve for Length of Service Award			
Program Fund	B-5	405,968	394,392
		<u>\$4,051,192</u>	<u>\$4,110,984</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	C-2	\$3,532,784	\$3,149,187
Deferred Charges to Future Taxation:			
Funded	C-9	8,612,000	10,020,000
Unfunded	C-10	2,789,502	1,244,285
Grants Receivable	C-11	240,000	
Leased Assets under Capital Lease		250,000	399,800
		<u><b>\$15,424,286</b></u>	<u><b>\$14,813,272</b></u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
General Serial Bonds	C-6	\$8,612,000	\$10,020,000
Bond Anticipation Notes	C-7	2,789,501	1,244,285
Improvement Authorizations:			
Funded	C-5	1,425,554	1,598,481
Unfunded	C-5	1,391,063	886,592
Lease Obligations Payable	C-8	250,000	399,800
Reserve for Encumbrances	C-5	870,445	609,061
Capital Improvement Fund	C-4	49,205	45,532
Due to Current Fund			131
Fund Balance	C-1	36,518	9,390
		<u><b>\$15,424,286</b></u>	<u><b>\$14,813,272</b></u>

There were bonds and notes authorized but not issued on December 31, 2016 and December 31, 2015 of \$1 and \$0, respectively. (Schedule C-12)

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2016 and 2015**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Balance, January 1	C	\$9,390	\$9,390
Increased by:			
Premium on Bonds and Notes Issued	C-2	27,128	-
Balance, December 31	C	<u>\$36,518</u>	<u>\$9,390</u>

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2016 and 2015**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Assets</u></b>			
General Fixed Assets:			
Land, Buildings and Improvements		\$11,264,386	\$11,264,386
Machinery and Equipment		<u>12,279,364</u>	<u>11,614,641</u>
Total General Fixed Assets		<u>\$23,543,750</u>	<u>\$22,879,027</u>
<b><u>Liabilities and Reserves</u></b>			
Investment in General Fixed Assets	D-1	<u>\$23,543,750</u>	<u>\$22,879,027</u>

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PAYROLL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	<u><u>\$45,783</u></u>	<u><u>\$156,474</u></u>
<b><u>Reserves</u></b>		
Due to Current Fund	<u><u></u></u>	<u><u>\$112,125</u></u>
Reserve for Expenditures	<u><u>\$45,783</u></u>	<u><u>44,349</u></u>
	<u><u>\$45,783</u></u>	<u><u>\$156,474</u></u>

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the “Borough”), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the school boards, first aid squad, volunteer fire department or the Eatontown Sewerage Authority (a component unit of the Borough), which are subject to separate audits.

The Governmental Accounting Standards Board (“GASB”) established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements.

**B. Description of Funds**

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

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

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

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

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

### **B. Description of Funds (continued)**

**Payroll Fund** - used to record payroll related transactions.

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

**Length of Service Award Program Fund** - used to record Borough contributions, changes in market value and administrative charges for program-eligible volunteers.

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

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

### **C. Basis of Accounting**

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

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

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

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### C. Basis of Accounting (continued)

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

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

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

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

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

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

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

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

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

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

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

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

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated. The Borough has not valued all fixed assets acquired after December 31, 1985 at actual cost.

### **D. Financial Statements**

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

### **E. Budgets and Budgetary Accounting**

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

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

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

### **Deposits**

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

The Governmental Unit Deposit Protection Act (“GUDPA”) is a supplemental insurance program set forth by the New Jersey Legislature to protect deposits of municipalities and local government agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. GUDPA requires public depositories to pledge collateral for deposit of public funds that exceed insurance limits. GUDPA requires that the market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, a government’s deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2016 and 2015 the Borough’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Uninsured and Uncollateralized	\$2,056,753	\$1,872,930
GUDPA Insured and Collateralized with Securities Held by Pledging		
Financial Institutions	8,386,719	7,797,879
	<u>\$10,443,472</u>	<u>\$9,670,809</u>

In addition, as of December 31, 2016 and 2015, the Borough had \$1,792,602 and \$1,785,842, respectively, on deposit in the New Jersey Cash Management Fund (the “Fund”). These deposits are subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

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

### **Investments**

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

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

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

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

### **Investments (continued)**

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

Custodial Credit Risk - The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Borough does not have a formal investment policy for custodial credit risk for investments. Length of Service Award Program Fund investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Borough. The fair value and book value of the Borough's Length of Service Award Program Fund investments at December 31, 2016 and 2015 were \$405,968 and \$394,392, respectively.

Credit Risk - State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2016 and 2015 no such investments were held by the Borough.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy for interest rate risk.

## **3. DEBT**

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

### 3. DEBT (continued)

#### Long-Term Debt

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

Purpose	Date of Issue	Original Issue	Interest Rate(s)	Balance Dec. 31, 2016
General Improvement	12/4/02	\$1,553,000	5.00%	\$4,000
General Improvement	12/29/05	1,327,000	4.00%	141,000
General Improvement	12/4/08	4,549,000	4.00-5.25%	487,000
General Improvement	12/29/11	4,150,000	5.00%	2,305,000
General Improvement	5/22/12	1,180,000	4.00%	330,000
General Improvement	12/9/14	3,775,000	4.00-5.00%	3,045,000
General Improvement	3/2/16	2,325,000	4.00-5.00%	2,300,000
				<u><u>\$8,612,000</u></u>

Long-term bonded debt service requirements are as follows:

Year	Principal	Interest	Total
2017	\$1,282,000	\$405,470	\$1,687,470
2018	1,194,000	350,020	1,544,020
2019	1,236,000	294,750	1,530,750
2020	1,170,000	240,700	1,410,700
2021	1,220,000	186,500	1,406,500
2022-2026	2,510,000	310,750	2,820,750
	<u><u>\$8,612,000</u></u>	<u><u>\$1,788,190</u></u>	<u><u>\$10,400,190</u></u>

#### Long-Term Debt

Long-term debt transactions for the years ended December 31, 2016 and 2015 are summarized as follows:

	Balance		Balance Dec. 31, 2016	
	Dec. 31, 2015	Additions	Deductions	
General Capital Fund: General Serial Bonds	\$10,020,000	\$2,325,000	\$3,733,000	<u><u>\$8,612,000</u></u>
	Balance		Balance	
General Capital Fund: General Serial Bonds	Dec. 31, 2014	Additions	Deductions	Dec. 31, 2015
	\$11,206,000	-	\$1,186,000	\$10,020,000

3. **DEBT (continued)**

**Short-Term Debt**

At December 31, 2016 and 2015 the Borough's outstanding bond anticipation notes were as follows:

<b>Purpose</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2016</b>
Various Capital Improvements and the Acquisition of Various Capital Equipment	9/29/16	9/28/17	2.00%	\$1,244,285
Various Capital Improvements and the Acquisition of Various Capital Equipment	9/29/16	9/28/17	2.00%	<u>1,545,216</u> <u>\$2,789,501</u>
<b>Purpose</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2015</b>
Various Capital Improvements and the Acquisition of Various Capital Equipment	9/30/15	9/29/16	0.70%	<u>\$1,244,285</u>

Bond anticipation note transactions for the years ended December 31, 2016 and 2015 are summarized as follows:

	<b>Balance Dec. 31, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance Dec. 31, 2016</b>
General Capital Fund: Bond Anticipation Notes	<u>\$1,244,285</u>	<u>\$2,789,501</u>	<u>\$1,244,285</u>	<u>\$2,789,501</u>
	<b>Balance Dec. 31, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance Dec. 31, 2015</b>
General Capital Fund: Bond Anticipation Notes	<u>\$2,949,954</u>	<u>\$1,244,285</u>	<u>\$2,949,954</u>	<u>\$1,244,285</u>

#### **4. FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2016 and 2015, which were appropriated and included as anticipated revenue in the current fund budget for the years ended December 31, 2017 and 2016 were as follows:

For the year ended December 31, 2017,

Current Fund	\$2,750,000
General Capital Fund	36,518

For the year ended December 31, 2016,

Current Fund	\$2,650,000
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#### **5. TAXES COLLECTED IN ADVANCE**

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

	Balance December 31,	
	2016	2015
Prepaid Taxes	\$233,495	\$339,000

#### **6. SCHOOL TAXES**

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

The Borough raises its share of local and regional school taxes on a school year basis and has elected to defer these taxes at December 31, 2016 and 2015 as follows:

	Local District		Regional High	
	School Tax		School Tax	
	2016	2015	2016	2015
Balance of Tax	\$7,259,911	\$7,689,025	\$4,243,874	\$4,247,780
Deferred	7,259,911	7,538,796	4,243,873	4,247,779
Tax Payable	<u>\$0</u>	<u>\$150,229</u>	<u>\$1</u>	<u>\$1</u>

#### **7. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED**

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2016 and 2015 were \$877,725 and \$935,679, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

## **8. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, School Districts and County, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 20, with a completed duplicate of the tax rolls to be delivered to the Borough tax collector on or before June 3. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

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

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

## **9. FIXED ASSETS**

Fixed assets activity for the years ended December 31, 2016 and 2015 was as follows:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Land, Buildings and Improvements	\$11,264,386			\$11,264,386
Machinery and Equipment	11,614,641	\$713,723	\$49,000	12,279,364
	<u>\$22,879,027</u>	<u>\$713,723</u>	<u>\$49,000</u>	<u>\$23,543,750</u>
	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Land, Buildings and Improvements	\$11,264,386			\$11,264,386
Machinery and Equipment	11,263,824	\$350,817	-	11,614,641
	<u>\$22,528,210</u>	<u>\$350,817</u>	<u>-</u>	<u>\$22,879,027</u>

## **10. LEASE OBLIGATIONS PAYABLE**

The Borough participates in the Capital Equipment Lease Program of the Monmouth County Improvement Authority (the “Authority”). The Authority has issued revenue bonds in which the Borough pays the debt service as part of the lease agreements. The minimum lease payments are raised annually in the Borough’s current fund budget.

The Borough’s lease obligations payable are summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Balance Dec. 31, 2016</u>
Capital Equipment	10/4/07	\$1,131,900	5.00%	\$130,000
Capital Equipment	10/8/15	146,000	4.00%-5.00%	120,000
				<u><u>\$250,000</u></u>

Minimum future lease payments due to the Authority are as follows:

<u>Year</u>	<u>General Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$158,000	\$12,220	\$170,220
2018	29,000	4,600	33,600
2019	31,000	3,150	34,150
2020	32,000	1,600	33,600
	<u><u>\$250,000</u></u>	<u><u>\$21,570</u></u>	<u><u>\$271,570</u></u>

## **11. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts, theft and damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough is a member of the Monmouth Municipal Joint Insurance Fund (the “Fund”). The Fund is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen’s compensation, and is sustained through member premiums. In addition, the Fund participates in the Municipal Excess Liability Program Joint Insurance Fund, which has a contract for excess liability insurance for property. There were no settlements in excess of insurance coverage in the past three years.

## **12. UNEMPLOYMENT COMPENSATION INSURANCE**

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserves for unemployment compensation insurance at December 31, 2016, 2015 and 2014 were \$64,643, \$50,563 and \$39,754, respectively.

## **13. PENSION PLANS**

### **Description of Systems**

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

### **Funding Policy**

PERS employee contributions were 7.06% of base wages through June 30, 2016. Effective July 1, 2016 PERS employee contributions were 7.20% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually.

### **Defined Contribution Retirement Program**

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

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

### **Unfunded Pension Liability**

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2016.

### **13. PENSION PLANS (continued)**

#### Public Employees Retirement System (PERS)

At June 30, 2016, the State reported a net pension liability of \$17,172,178 for the Borough's proportionate share of the total net pension liability. 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. 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 employers, actuarially determined.

At June 30, 2016, the Borough's proportion was 0.05798055850 percent, which was an increase of 0.0023682155 percent from its proportion measured as of June 30, 2015.

The pension expense recognized in the Borough's financial statement based on the April 1, 2016 billing was \$478,117.

#### 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 rolled forward to June 30, 2016. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014. These actuarial valuations used the following assumptions:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Inflation Rate	3.08%	3.04%
Salary Increases (based on age)		
Through 2026	1.65% - 4.15%	2.15% - 4.40%
Thereafter	2.65% - 5.15%	2.15% - 4.40%
Investment Rate of Return	7.65%	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables with adjustments for mortality improvements from the base year of 2013 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2008 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.

### 13. PENSION PLANS (continued)

#### Public Employees Retirement System (PERS) (Continued)

##### Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 and June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>		<u>June 30, 2015</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%	5.00%	1.04%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad U.S. Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Markets	13.25%	6.80%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Returns	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%
	<u><u>100.00%</u></u>		<u><u>100.00%</u></u>	

### **13. PENSION PLANS (continued)**

#### Public Employees Retirement System (PERS) (Continued)

##### Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. 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% and 3.80% as of June 30, 2016 and 2015, respectively, 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 average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on 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 collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (2.98%) or 1 percentage point higher (4.98%) than the current rate:

	June 30, 2016		
	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
Borough's proportionate share of the pension liability	\$21,042,500	\$17,172,178	\$13,976,892

##### Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

### **13. PENSION PLANS (continued)**

#### **Police and Firemen's Retirement System (PFRS)**

At June 30, 2016, the State reported a net pension liability of \$26,632,087 for the Borough's proportionate share of the total PFRS net pension liability. 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. 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 employers, actuarially determined. At June 30, 2016, the Borough's proportion was 0.1394163384 percent, which was an increase of 0.0081756553 percent from its proportion measured as of June 30, 2015.

The pension expense recognized in the Borough's financial statement based on the April 1, 2016 billing was \$1,066,791.

#### **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 rolled forward to June 30, 2016. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following assumptions:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Inflation Rate	3.08%	3.04%
Salary Increases (based on age)		
Through 2026	2.10% - 8.98%	2.60% - 9.48%
Thereafter	3.10% - 9.98%	3.60% - 10.48%
Investment Rate of Return	7.65%	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

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.

### 13. PENSION PLANS (continued)

#### Police and Firemen's Retirement System (PFRS) (Continued)

##### Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 and June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	June 30, 2016		June 30, 2015	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%	5.00%	1.04%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad U.S. Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Markets	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Returns	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%
	<u><u>100.00%</u></u>		<u><u>100.00%</u></u>	

### **13. PENSION PLANS (continued)**

#### **Police and Firemen's Retirement System (PFRS) (Continued)**

##### **Discount Rate**

The discount rate used to measure the total pension liability was 5.55% and 5.79% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, 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 average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on 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 collective net pension liability to changes in the discount rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (4.55) or 1 percentage point higher (6.55%) than the current rate:

	June 30, 2016		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
Borough's proportionate share of the pension liability	<u>4.55%</u>	<u>5.55%</u>	<u>6.55%</u>
	\$34,340,123	\$26,632,087	\$20,346,647

##### **Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System.

#### **14. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

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

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

At December 31, 2016 and 2015, the following deferred charges were reflected on the balance sheet of the current fund:

	Balance Dec. 31, 2016	2017 Budget Appropriation	Balance to Succeeding Budgets
Special Emergency Authorization (40A:4-53)	\$132,000	\$44,000	\$88,000
Emergency Authorizations (40A:4-47)	33,750	33,750	-
Expenditure without Appropriation	4,180	4,180	-
	<u>\$169,930</u>	<u>\$81,930</u>	<u>\$88,000</u>

	Balance Dec. 31, 2015	2016 Budget Appropriation	Balance to Succeeding Budgets
Special Emergency Authorization (40A:4-53)	\$176,000	\$44,000	\$132,000

The appropriations in the 2017 and 2016 budgets were not less than required by statute.

#### **16. INTERFUND BALANCES**

The balances of interfund receivables and payables at December 31, 2016 and 2015 are presented below:

	December 31, 2016	December 31, 2015
<b><u>Receivables</u></b>		
Current Fund	\$348,406	\$518,274
Other Trust Fund	15,836	9,067
	<u>\$364,242</u>	<u>\$527,341</u>
<b><u>Payables</u></b>		
Current Fund	\$15,836	\$9,067
Animal Control Fund	28	
General Capital Fund		131
Payroll Fund		112,125
Federal and State Grant Fund	348,378	406,018
	<u>\$364,242</u>	<u>\$527,341</u>

Interfund balances resulted either from the time lag between the dates that reimbursable expenditures occurred, revenues/receipts were collected or when payments were made between funds.

## **17. POSTEMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 13, the Borough provides postemployment health and dental coverage for employees that meet certain service requirements.

### **Plan Description**

The Borough contributes to the State Health Benefits Program (“SHBP”), a cost sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey, Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et. seq., to provide health benefits to employees of the State of New Jersey, retirees, and their dependents. Rules governing the operation and administration of the SHBP are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey, Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. The financial report of the SHBP may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

### **Funding Policy**

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

Contributions to pay health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough's postemployment retirement health benefits contributions to the SHBP for the years ended December 31, 2016, 2015 and 2014 were \$1,368,398, \$1,278,581 and \$1,217,494, respectively, which equaled the required contributions for each year.

## **18. LENGTH OF SERVICE AWARD PROGRAM**

The Borough has established a Length of Service Award Program to recruit and retain the Borough's volunteer fire department and first aid squad members. The Length of Service Award Program has been established under the laws of the State of New Jersey with the intent that it meets requirements under Section 457(e)(11)(B) of the Internal Revenue Code.

**Annual Contribution** - The annual contribution to be made by the Borough for each active volunteer member that meets certain eligibility criteria shall not exceed \$1,150 annually.

**Appropriations** - Appropriations for the purpose of funding the Borough's Length of Service Award Program are included as a separate line item in the Borough's budget.

## **19. DEFERRED COMPENSATION**

The Borough has adopted a Deferred Compensation Plan (the "Plan") in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey.

The Plan enables the Borough's employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

## **20. COMMITMENTS AND CONTINGENCIES**

### **Grant Financial Assistance**

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. The Borough's administration anticipates that no material liabilities will result from such audits.

### **Tax Appeals**

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

### **Legal Proceedings**

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

## **21. SUBSEQUENT EVENT**

On July 12, 2017 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$1,371,000 for various capital improvements and the acquisition of various capital equipment.

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART II**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2016**

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$5,824,761
Increased by Receipts:		
Collector	A-5	\$47,124,974
Revenue Accounts Receivable	A-8	4,105,641
State of New Jersey (PL 1971, Ch.20)		84,150
Miscellaneous Revenue not Anticipated	A-2	484,093
Grants Receivable	A-13	370,574
Reserves for:		
Marriage License Fees		850
Training Fees		6,432
Elevator Inspections		428
Outside Liens		13,933
Interfunds		<u>128,092</u>
		<u>52,319,167</u>
		<u>58,143,928</u>
Decreased by Disbursements:		
Budget Appropriations	A-3	20,298,685
Appropriation Reserves	A-9	378,921
Local District School Tax	A-10	16,326,252
Regional High School Tax	A-11	8,491,654
Appropriated Reserves	A-14	311,075
County Taxes		5,912,634
Refund of Tax Overpayments		21,941
Accounts Payable		1,511
Refunds	A-1	505
Interfunds		9,095
Reserves for:		
Training Fees		6,611
Marriage Licenses		375
Elevator Inspections		4,440
Outside Liens		5,754
Revaluation		94,000
Expenditure without Appropriation		<u>4,180</u>
		<u>51,867,633</u>
Balance, December 31, 2016	A	<u>\$6,276,295</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CURRENT CASH - COLLECTOR**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Increased by Receipts:		
Taxes Receivable	A-6	\$46,786,664
Tax Title Liens	A-7	1,144
Prepaid Taxes		233,495
Revenue Accounts Receivable -		
Interest and Costs on Taxes	A-8	98,903
Tax Overpayments		<u>4,768</u>
		<u><u>\$47,124,974</u></u>
Decreased by Disbursements:		
Payment to Treasurer - Current Fund	A-4	<u><u>\$47,124,974</u></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**Year Ended December 31, 2016**

Year	Balance		Collection by Cash		Senior Citizens and Veterans Deductions		Canceled and Adjustments		Overpayments Applied		Transferred to Tax Title Liens		Balance Dec. 31, 2016
	Dec. 31, 2015	2016 Levy	2015	2016									
Prior	\$40,257												\$40,257
2015	650,979			\$647,682			\$615						2,682
	691,236			647,682			615						42,939
2016	\$47,603,417		\$339,000	46,138,982	\$82,387	688,917	\$4,768		\$9,841				339,522
	<u>\$691,236</u>	<u>\$47,603,417</u>	<u>\$339,000</u>	<u>46,138,982</u>	<u>\$82,387</u>	<u>688,917</u>	<u>\$4,768</u>		<u>\$9,841</u>				<u>\$382,461</u>

Ref. A

A-5

A-7

A

**Analysis of 2016 Property Tax Levy**

**Tax Yield:**

General Purpose Tax	\$47,393,986
Added Taxes (54:4-63.1 Et Seq.)	209,103
Omitted Taxes (54:4-63.12 Et Seq.)	328
	<u>\$47,603,417</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**Year Ended December 31, 2016**

**Analysis of 2016 Property Tax Levy (continued)**

	<u>Ref.</u>	
Tax Levy:		
Local District School Tax	A-10	\$15,897,138
Regional High School Tax	A-11	8,487,748
County Taxes:		
County Tax		5,122,675
County Library Tax		352,096
County Open Space Tax		294,482
County Health Tax		103,227
Due to County for Added and Omitted Taxes		<u>26,113</u>
Total County Taxes		<u>5,898,593</u>
Local Tax for Municipal Purposes	A-2	17,129,572
Add: Additional Tax Levied		<u>190,366</u>
Local Tax for Municipal Purposes Levied		<u>17,319,938</u>
		<u><u>\$47,603,417</u></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$103,664
Increased by:		
Transfers from Taxes Receivable	A-6	<u>9,841</u>
		<u>113,505</u>
Decreased by:		
Cash Receipts	A-2, A-5	<u>1,144</u>
Balance, December 31, 2016	A	<u><u>\$112,361</u></u>

**BOROUGH OF EATONTOWN  
COUNTY OF MONMOUTH  
STATE OF NEW JERSEY**

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
Year Ended December 31, 2016**

	<u>Ref.</u>	<u>Balance Dec. 31, 2015</u>	<u>Accrued in 2016</u>	<u>Realized / Collected</u>	<u>Balance Dec. 31, 2016</u>
Alcoholic Beverage Licenses	A-2		\$37,938	\$37,938	
Other Licenses	A-2		32,028	32,028	
Fees and Permits	A-2		259,483	259,483	
Municipal Court Fines and Costs	A-2	\$53,002	601,394	613,233	\$41,163
Interest and Costs on Taxes	A-2		98,903	98,903	
Interest on Investments	A-2		49,905	49,905	
Consolidated Municipal Property					
Tax Relief Act	A-2		48,090	48,090	
Energy Receipts Tax	A-2		1,416,525	1,416,525	
Uniform Construction Code Fees	A-2		478,956	478,956	
Mechanical Garage - Eatontown Board of Education	A-2		5,888	5,888	
Cooperative Housing Inspection Grant	A-2		6,691	6,691	
Senior Citizen Housing (In Lieu of Taxes)	A-2		197,204	197,204	
Borough Community Center Programs	A-2		266,056	266,056	
Uniform Fire Safety Act	A-2		86,851	86,851	
Hotel Tax	A-2		253,071	253,071	
Cell Tower Agreements	A-2		259,784	259,784	
CATV Franchise Fees	A-2		93,938	93,938	
		<u>\$53,002</u>	<u>\$4,192,705</u>	<u>\$4,204,544</u>	<u>\$41,163</u>

	<u>Ref.</u>	A	A
Collected by:			
Treasurer	A-4		\$4,105,641
Tax Collector:			
Interest and Costs on Taxes	A-5		98,903
			<u>\$4,204,544</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2016**

	<b>Balance Dec. 31, 2015</b>	<b>Reserve for Encumbrances</b>	<b>Balance After Transfers</b>	<b>Paid or Charged</b>	<b>Balance Lapsed</b>
<b>Salaries and Wages:</b>					
Administrative and Executive	\$7,641		\$7,641		\$2,641
Mayor and Council	377		377		377
Elections	1,950		1,950		50
Municipal Clerk	853		853		852
Information Technology	8		8		8
Purchasing	55		55		55
Financial Administration	12,400		12,400		7,300
Assessment of Taxes	2,250		2,250		250
Collection of Taxes	8,141		8,141		8,141
Public Buildings and Grounds	5,020		5,020		5,020
Planning Board	4,160		4,160		4,160
Board of Adjustment	1,200		1,200		1,200
Zoning Officer	46,491		46,491		37,391
Environmental Program	200		200		200
Fire	77		77		77
Uniform Fire Safety Act	25	\$700	725	\$700	25
Police	98		98		98
Emergency Management Services					
Road Repair and Maintenance	7,263		7,263		7,263
Municipal Court	186		186		186
Recycling	25,895		25,895		25,895
Monmouth County Reg.					
Health Com. (NJSA 40:13)	712		712		712
Parks	21,522		21,522		21,522
Recreation	9,123		9,123		9,123
Borough Community Center	3,961		3,961	9	3,951
Senior Citizens Programs	25,031		25,031		25,031
Inspection of Buildings	11,490		11,490		11,490
Adjustment Program	941		941		941
Aid to Privately Owned Library	1,492		1,492		1,492
Board of Education	4,000		4,000		4,000
<b>Other Expenses:</b>					
Administrative and Executive	4,613	892	5,505	3,220	2,284
Labor Attorney	11,465	526	11,991	2,206	9,785
Mayor and Council	1,872	117	1,989	117	1,872
Advertising	18,007	1,714	19,721	1,873	17,848
Elections	1,628		1,628		1,628
Municipal Clerk	2,582		2,582		1,082

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2016**

	<b>Balance Dec. 31, 2015</b>	<b>Reserve for Encumbrances</b>	<b>Balance After Transfers</b>	<b>Paid or Charged</b>	<b>Balance Lapsed</b>
Other Expenses (continued):					
Information Technology	\$4,361	\$223	\$4,584	\$1,698	\$2,886
Purchasing	1,257	343	1,600	603	997
Financial Administration	504		504		504
Bond Registration Fees	1,511		1,511		1,511
Audit Services	26,900		26,900	10,250	16,650
Assessment of Taxes	2,112	60	2,172	1,525	647
Collection of Taxes	1,015	483	1,498	483	1,015
Legal Services and Costs	78,351		78,351	11,436	66,915
Special Counsel	17,674		17,674	1,738	15,936
Engineering Services and Costs:					
Miscellaneous Other Expenses	8,761	3,824	12,585	6,819	5,766
Public Buildings and Grounds	2,786	15,151	17,937	14,478	3,458
Planning Board	4,570	832	5,402	29,879	123
Board of Adjustment	1,916	1,295	3,211	1,295	1,916
Zoning Officer	1,747	80	1,827	80	1,747
Shade Tree Commission	3,254	76	3,330	76	3,254
Environmental Program	2,377		2,377	128	2,250
Gypsy Moth Program	100		100		100
Fire:					
Fire Hydrant Service	11,723		11,723	11,723	
Miscellaneous Other Expenses	2,627	13,136	15,763	12,657	3,107
Group Insurance	337,716	7,282	344,998	8,043	336,956
Health Benefit Waiver	70,000		70,000		70,000
Other Insurance	5,975		5,975	402	5,574
Uniform Fire Safety Act	2,443	680	3,123	525	2,598
Police	4,577	17,250	21,827	13,663	8,163
Tuition Reimbursements	25,945		25,945	11,925	14,020
First Aid Contribution	3,831	1,148	4,979	305	4,674
Demolition of Structures	1,000		1,000		1,000
Emergency Management Services	296	1,053	1,349	1,052	297
Road Repair and Maintenance	8,086	5,639	13,725	6,090	7,635
Municipal Court	1,984		1,984		1,984
Maintaining of Borough Equipment	5,830	12,124	17,954	16,699	1,256
Street Lighting	31,207	456	31,663	9,370	22,293
Monmouth County					
Reclamation Fees	57,425	27,660	85,085	55,781	29,305
Recycling	13,245	11,500	24,745	16,945	7,800
Sanitation - Apartment Collection	117	21,160	21,277	21,160	117
Administration of Public Assistance	1,750		1,750		1,750

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2016**

	Balance Dec. 31, 2015	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses (continued):					
Relocation	\$1,500		\$1,500		\$1,500
Housing Inspection	939		939		939
Parks	2,569	\$12,706	15,275	\$11,833	3,441
Recreation	1,767	803	2,570	1,908	662
Public Events	2,348	592	2,940	592	2,348
Community Center	1,769	7,964	9,733	2,113	7,619
Youth Committee	1,148		1,148		1,148
Tenant's Rights Committee	1,000		1,000		1,000
Senior Citizen's Programs	2,768	1,306	4,074	725	3,349
Inspection of Buildings	4,456	832	5,288	1,310	3,978
Fuel for Motor Vehicles	127,343	5,625	132,968	17,606	115,362
Business Advisory Committee	1,000		1,000		1,000
Employee Sick Time Buy - Back	51,954		51,954		51,954
Accumulated Absences	43,500		43,500		43,500
Electricity	50,162	9,631	59,793	16,628	43,165
Telephone	16,565	1,466	18,031	3,704	14,328
Water	5,491	835	6,326	1,680	4,647
Natural Gas	26,076		26,076	4,995	21,080
Contingent	3,230		3,230		3,230
Social Security System (O.A.S.I.)	11,343		11,343		11,343
Defined Contribution					
Retirement Program	1,074		1,074		1,074
Aid to Privately Owned Library	3,194		3,194		5,694
Telephone	2,500		2,500		
State Recycling Tax	6,577	821	7,398	1,792	5,606
NJDEP/Storm Water Mgt.	7,000		7,000		7,000
Length of Service Award Program - Fire	44,000		44,000	29,900	14,100
Length of Service Award Program - First Aid	18,000		18,000	12,650	5,350
Matching Funds for Grants	1,000		1,000		1,000
	<u>\$1,427,975</u>	<u>\$187,985</u>	<u>\$1,615,960</u>	<u>\$382,389</u>	<u>\$1,233,571</u>

**Ref.**      **A**      **A-12**      **A-1**

<b><u>Disbursed</u></b>	<b><u>Ref.</u></b>
Accounts Payable	A-4
	\$378,921
	3,468
	<u><b>\$382,389</b></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015:		
School Tax Payable	A	\$150,229
School Tax Deferred		<u>7,538,796</u>
		\$7,689,025
Increased by:		
Levy - School Year July 1, 2016 to June 30, 2017	A-6	<u>15,897,138</u>
		23,586,163
Decreased by:		
Payments	A-4	<u>16,326,252</u>
Balance, December 31, 2016:		
School Tax Deferred		<u>\$7,259,911</u>

**2016 Liability for Local District School Tax:**

Tax Paid	A-10	\$16,326,252
Less: Taxes Payable, December 31, 2015	A-10	<u>150,229</u>
Amount Charged to 2016 Operations	A-1	<u>\$16,176,023</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015:		
School Tax Payable	A	\$1
School Tax Deferred		<u>4,247,779</u>
		\$4,247,780
Increased by:		
Levy - School Year July 1, 2016 to June 30, 2017	A-6	<u>8,487,748</u>
		12,735,528
Decreased by:		
Payments	A-4	<u>8,491,654</u>
Balance, December 31, 2016:		
School Tax Payable	A	1
School Tax Deferred		<u>4,243,873</u>
		<u>\$4,243,874</u>
<b><u>2016 Liability for Regional High School Tax:</u></b>		
Tax Paid and Charged to 2016 Operations	A-11:A-1	<u>\$8,491,654</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF RESERVE FOR ENCUMBRANCES**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$187,985
Increased by:		
Transferred from 2016 Appropriations	A-3	<u>495,761</u> 683,746
Decreased by:		
Transfer to Appropriation Reserves	A-9	<u>187,985</u>
Balance, December 31, 2016	A	<u><u>\$495,761</u></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2016**

<b>Grant</b>	<b>Ref.</b>	<b>2016</b>	<b>Balance</b>	<b>Anticipated</b>	<b>Cash</b>	<b>Cancelled/</b>	<b>Balance</b>
			<b>Dec. 31, 2015</b>	<b>Revenue</b>	<b>Receipts</b>	<b>Adjustments</b>	<b>Dec. 31, 2016</b>
Municipal Alliance on Alcoholism and Drug Abuse	A-2		\$15,151	\$26,186	\$38,791		\$2,546
Handicapped Recreation Opportunities Fund			20,000		20,000		
New Jersey Transportation Trust Fund			299,753		143,700		156,053
Safe and Secure Communities Program	A-2		15,000	60,000	30,000	\$15,000	30,000
Drunk Driving Enforcement Fund	A-2			4,738	4,738		
Cars - E Grant			481			481	
Open Space Monmouth County			180,000				180,000
Clean Communities Program	A-2			31,380	31,380		
Body Armor Fund	A-2			3,628	3,628		
Open Space Stewardship			250			250	
No Net Loss Reforestation			184,500		25,200	159,300	
CDBG - Monmouth County			161,786		10,168		151,618
State and Community Highway Safety			225			225	
Click It or Ticket	A-2			5,000	5,000		
Drive Sober or Get Pulled Over	A-2		3,250	5,000	10,000	1,750	
Recycling Tonnage	A-2			33,060	33,060		
Fort Monmouth Economic Revitalization Authority	A-2		55,350	14,909			40,441
			<u>\$880,396</u>	<u>\$224,342</u>	<u>\$370,574</u>	<u>\$177,006</u>	<u>\$560,658</u>

Cancelled Adjustments	<b>Ref.</b> A-1	A	A-4	A
			\$175,256	
			1,750	
			<u>\$177,006</u>	

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**Year Ended December 31, 2016**

Grant	Balance Dec. 31, 2015	Transfer from 2016		Transferred from Reserve for		Balance Dec. 31, 2016
		Budget Appropriations	Encumbrances	Expended	Cancelled	
Municipal Alcohol Education/Rehabilitation Program	\$4,613					\$4,613
Drunk Driving Enforcement Fund	6,364	\$4,738		\$2,057		9,045
Comcast Technology	3,478		\$2,000	2,000		3,478
Body Armor Fund		3,628	929	929		3,628
Municipal Alliance on Alcoholism and Drug Abuse	5,288	32,733	1,178	32,580	\$206	6,413
New Jersey Transportation Trust Fund	37,485		21,365	21,366		37,484
Sustainable Jersey Small Program	566					566
Handicapped Person's Recreational Opportunities Fund	26,327		703	22,199	3,132	1,699
Clean Communities Program		31,380				31,380
Safe and Secure Communities Program	7,090	60,000		60,000	7,090	
Cars - E Grant	481				481	
Bulletproof Vest	3,615		341			3,956
Open Space Stewardship	750				750	
No Net Loss Reforestation	182,493			12,243	170,250	
CDBG - Monmouth County	161,786			99,691		62,095
State and Community Highway Safety	5,323					5,323
Drive Sober or Get Pulled Over	2,000	5,000		7,000		
Click It or Ticket	200	5,000		2,000		3,200
Recycling Tonnage		33,060				33,060
Fort Monmouth Economic Revitalization Authority		55,350		49,010		6,340
	<b>\$447,859</b>	<b>\$230,889</b>	<b>\$26,516</b>	<b>\$311,075</b>	<b>\$181,909</b>	<b>\$212,280</b>

**Ref.****A****A-3****A****A-4****A-1****A**

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**  
**Year Ended December 31, 2016**

<b>Grant</b>	<b>Balance</b> <b>Dec. 31, 2015</b>	<b>Cancelled</b>	<b>Balance</b> <b>Dec. 31, 2016</b>
Clean Communities	\$1		\$1
Body Armor Fund	1		1
Bulletproof Vest	1		1
	<b><u>\$3</u></b>	<b><u>\$3</u></b>	<b><u>\$0</u></b>
<b>Ref.</b>	<b>A</b>	<b>A-1</b>	<b>A</b>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other</u>
Balance, December 31, 2015	B	<u>\$10,835</u>	<u>\$3,696,690</u>
Increased by Receipts:			
2016 Budget Appropriation	B-2	2,500	
Dog License Fees	B-2	4,943	
State Dog License Fees		703	
Prepaid Licenses		2,139	
Due to Current Fund		28	
Various Deposits	B-3	<u>10,313</u>	<u>1,228,149</u>
			<u>1,228,149</u>
Decreased by Disbursements:			
Due to Current Fund			6,769
State Dog License Fees		685	
Expenditures Under			
R.S. 4:19-15.11	B-2	16,422	
Various Deposits	B-3	<u>17,107</u>	<u>1,292,723</u>
			<u>1,299,492</u>
Balance, December 31, 2016	B	<u>\$4,041</u>	<u>\$3,625,347</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$8,733
Increased by:		
2016 Budget Appropriation	B-1	\$2,500
Dog License Fees Collected in 2016	B-1	4,943
Prepaid Revenue Realized		<u>1,974</u>
		<u>9,417</u>
		18,150
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash	B-1	<u>16,422</u>
Balance, December 31, 2016	B	<u><u>\$1,728</u></u>
License Fees Collected:	<u>Year</u>	<u>Amount</u>
	2015	\$5,608
	2014	<u>6,390</u>
		<u><u>\$11,998</u></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR OTHER TRUST FUND DEPOSITS**  
**Year Ended December 31, 2016**

<b>Purpose</b>	<b>Balance Dec. 31, 2015</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2016</b>
Developer's Escrow	\$1,266,190	\$279,135	\$480,307	\$1,065,018
Security Deposits	119,597	345	27,805	92,137
Law Enforcement	3,926	3,555	1,818	5,663
Unemployment	50,563	20,240	6,160	64,643
Agency	7,261	6,998	4,689	9,570
Municipal Alliance	3,827	2,014	2,685	3,156
Public Defender	1,698	5,066	5,088	1,676
Police Outside Employment	150,921	341,629	281,136	211,414
Recreation Contributions	9,235	20	9,215	
Uniform Fire Safety Penalties	82,410	7,385	47,139	42,656
Premium on Tax Sale	266,400	281,900	158,600	389,700
POAA	6,241	694		6,935
Fire Contributions	4,935			4,935
Affordable Housing	1,486,446	271,003	214,791	1,542,658
Other Contributions	11,288	8,185	580	18,893
Accumulated Absences	165,000		28,580	136,420
Historical Museum Donations	4,762			4,762
Eatontown Economic Development Advisory Committee Donations	275		275	
Recycling	64,782		33,050	31,732
	<b><u>\$3,705,757</u></b>	<b><u>\$1,228,149</u></b>	<b><u>\$1,292,723</u></b>	<b><u>\$3,641,183</u></b>

**Ref.**      **B**      **B-1**      **B-1**      **B**

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF LENGTH OF SERVICE AWARD**  
**PROGRAM FUND INVESTMENTS**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$394,392
Increased by:		
Borough Contributions	B-5	\$40,250
Change in Market Value	B-5	<u>21,347</u>
		<u>61,597</u>
		<u>455,989</u>
Decreased by:		
Distributions	B-5	39,099
Return of Non-Vested Funds	B-5	8,986
Administrative Charges	B-5	<u>1,936</u>
		<u>50,021</u>
Balance, December 31, 2016	B	<u><u>\$405,968</u></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD**  
**PROGRAM FUND**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$394,392
Increased by:		
Borough Contributions	B-4	\$40,250
Change in Market Value	B-4	<u>21,347</u>
		<u>61,597</u>
		<u>455,989</u>
Decreased by:		
Distributions	B-4	39,099
Return of Non-Vested Funds	B-4	8,986
Administrative Charges	B-4	<u>1,936</u>
		<u>50,021</u>
Balance, December 31, 2016	B	<u><u>\$405,968</u></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$3,149,187
Increased by Receipts:		
Budget Appropriation:		
Capital Improvement Fund	C-4	\$85,000
Premium on Bonds and Notes Issued	C-1	27,128
Bond Anticipation Notes	C-7	<u>2,789,501</u>
		<u>2,901,629</u>
		<u>6,050,816</u>
Decreased by Disbursements:		
Bond Anticipation Notes	C-7	1,244,285
Due from Current Fund		131
Improvement Authorizations	C-5	<u>1,273,616</u>
		<u>2,518,032</u>
Balance, December 31, 2016	C	<u>\$3,532,784</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**ANALYSIS OF GENERAL CAPITAL FUND CASH**  
**December 31, 2016**

	<b><u>Balance</u></b>
	<b><u>Dec. 31, 2016</u></b>
Capital Improvement Fund	\$49,205
Fund Balance	36,518
Reserve for Encumbrances	870,445
Grant Receivable	(240,000)

Improvement Authorizations:

Ordinance Number	Improvement Description	
11-2002	Various Capital Improvements	1,206
13-2003	Wall Street Sidewalks	3,500
20-2004	Various Improvements	5,272
11-2005	Various Capital Improvements	114,967
26-2006	Various Improvements	188,475
19-2007	Various Improvements	268,446
15-2008	Various Improvements	188,525
07-2009	Various Improvements	132,574
15-2010	Various General Improvements	77,996
07-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	184,416
17-2012	Various Improvements	101,044
23-2012	Acquisition of a Fire Truck	14,382
10-2013	Various Improvements	73,342
07-2014	Various Capital Improvements and the Acquisition of Various Capital Equipment	71,409
09-2015	Various Capital Improvements and the Acquisition of Various Capital Equipment	146,497
08-2016	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,244,565
		<u><u>\$3,532,784</u></u>

Ref.

C

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2016**

	<u>Ref.</u>
Balance, December 31, 2015	C        \$45,532
Increased by:	
2016 Budget Appropriation	C-2        85,000 130,532
Decreased by:	
Appropriated to Finance Improvement Authorizations	C-5        81,327
Balance, December 31, 2016	C <u>\$49,205</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2015			2016 Authorizations	Paid or Charged	Authorizations Reappropriated	Balance Dec. 31, 2016	
			Funded	Unfunded	Encumbered				Funded	Unfunded
11-2002	Various Capital Improvements	\$1,645,521	\$1,206						\$1,206	
13-2003	Wall Street Sidewalks	235,000	3,500						3,500	
20-2004	Various Improvements	600,000	5,272						5,272	
11-2005	Various Capital Improvements	1,650,000	214,967					(\$100,000)	114,967	
26-2006	Various Improvements	780,000	188,475		\$13,241		\$13,241		188,475	
19-2007	Various Improvements	1,461,300	282,946		375		14,875		268,446	
15-2008	Various Improvements	1,075,500	194,850		19,339		25,664		188,525	
07-2009	Various Improvements	1,399,200	134,341				1,767		132,574	
15-2010	Various General Improvements	1,351,666	105,670		17,200		44,874		77,996	
07-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	1,357,600	189,116		38,583		43,283		184,416	
17-2012	Various Improvements	1,103,000	102,444		16,968		18,368		101,044	
23-2012	Acquisition of a Fire Truck	850,000	14,382						14,382	
10-2013	Various Improvements	1,152,215	108,106		2,126		36,890		73,342	
07-2014	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,337,520	53,206		159,696		141,493		71,409	
09-2015	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,520,300		\$886,592	341,533		1,181,628	100,000		\$146,497
08-2016	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,866,544		\$1,598,481	\$886,592	\$609,061	\$1,866,544	\$2,144,061	\$0	\$1,425,554
										\$1,391,063
	Ref.	C	C	C					C	C

**Deferred Charges to Future Taxation - Unfunded  
Grants Receivable  
Capital Improvement Fund**

<u>Ref.</u>	
C-10:C-12	\$1,545,217
C-11	240,000
C-4	81,327
	<hr/>
	\$1,866,544

## **Cash Disbursements Reserve for Encumbrances**

\$1,273,616  
870,445  
\$2,144,061

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2016**

<b>Purpose</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Maturities of Bonds Outstanding</b>			<b>Interest Rate</b>	<b>Balance Dec. 31, 2015</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2016</b>
			<b>Dec. 31, 2016</b>	<b>Date</b>	<b>Amount</b>					
General Improvement	12/4/02	\$1,553,000	12/1/17	\$2,000	5.00%		\$7,000		\$3,000	\$4,000
			12/1/18	1,000	5.00%					
			12/1/19	1,000	5.00%					
General Improvement	12/29/05	1,327,000	12/1/17	141,000	4.00%		275,000		134,000	141,000
General Improvement	12/4/08	4,549,000	12/1/17	239,000	4.00%		3,193,000		2,706,000	487,000
			12/1/18	248,000	5.25%					
General Improvement	12/29/11	4,150,000	12/1/17	415,000	5.00%		2,700,000		395,000	2,305,000
			12/1/18	440,000	5.00%					
			12/1/19	460,000	5.00%					
			12/1/20	485,000	5.00%					
			12/1/21	505,000	5.00%					
General Improvement	5/22/12	1,180,000	12/1/17	105,000	4.00%		430,000		100,000	330,000
			12/1/18	110,000	4.00%					
			12/1/19	115,000	4.00%					

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
Year Ended December 31, 2016

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount	Dec. 31, 2016					
General Improvement	12/9/14	\$3,775,000	12/1/17	\$380,000	4.00%	\$3,415,000			\$370,000	\$3,045,000
			12/1/18	395,000	4.00%					
			12/1/19	415,000	4.00%					
			12/1/20	430,000	4.00%					
			12/1/21	450,000	5.00%					
			12/1/22	475,000	5.00%					
			12/1/23	500,000	5.00%					
General Improvement	3/2/16	2,325,000	12/1/19	245,000	4.00%	\$2,325,000			25,000	2,300,000
			12/1/20	255,000	5.00%					
			12/1/21	265,000	5.00%					
			12/1/22	280,000	5.00%					
			12/1/23	295,000	5.00%					
			12/1/24	305,000	5.00%					
			12/1/25	320,000	5.00%					
			12/1/26	335,000	5.00%					
						\$10,020,000	\$2,325,000	\$3,733,000	\$8,612,000	
						Ref.	C	C-9	C	

## Refunding Bonds Issued Paid by Budget Appropriation

<u>Ref.</u>	
C-9	\$2,476,000
C-9	<u>1,257,000</u>
	<u>\$3,733,000</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**  
**Year Ended December 31, 2016**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Date of Issue of Original Note</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2015</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2016</b>
09-2015	Various Capital Improvements and the Acquisition of Various Capital Equipment	9/30/15	9/30/15	9/29/16	0.70%	\$1,244,285			\$1,244,285
09-2015	Various Capital Improvements and the Acquisition of Various Capital Equipment	9/30/15	9/29/16	9/28/17	2.00%				\$1,244,285
08-2016	Various Capital Improvements and the Acquisition of Various Capital Equipment	9/29/16	9/29/16	9/28/17	2.00%				1,545,216
						<u>\$1,244,285</u>	<u>\$2,789,501</u>	<u>\$1,244,285</u>	<u>\$2,789,501</u>

Ref.

C

C-2

C-2

C

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF LEASE OBLIGATIONS PAYABLE**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$399,800
Decreased by:		
Paid by Budget Appropriation		<u>149,800</u>
Balance, December 31, 2016	C	<u>\$250,000</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE**  
**TAXATION - FUNDED**  
**Year Ended December 31, 2016**

	<b><u>Ref.</u></b>	
Balance, December 31, 2015	C	\$10,020,000
Increased by:		
Refunding Bonds Issued	C-6	<u>2,325,000</u>
		<u>12,345,000</u>
Decreased by:		
Budget Appropriation to pay General Serial Bonds	C-6	\$1,257,000
Refunding Bonds Issued	C-6	<u>2,476,000</u>
		<u>3,733,000</u>
Balance, December 31, 2016	C	<u><u>\$8,612,000</u></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**  
**Year Ended December 31, 2016**

Ordinance Number	Improvement Description				Analysis of Balance December 31, 2016	
		Balance Dec. 31, 2015	2016 Authorizations	Balance Dec. 31, 2016	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
09-2015	Various Capital Improvements and the Acquisition of Various Capital Equipment	\$1,244,285		\$1,244,285	\$1,244,285	
08-2016	Various Capital Improvements and the Acquisition of Various Capital Equipment		\$1,545,217	1,545,217	1,545,216	\$1
		<u>\$1,244,285</u>	<u>\$1,545,217</u>	<u>\$2,789,502</u>	<u>\$2,789,501</u>	<u>\$1</u>
	<u>Ref.</u>	<u>C</u>	<u>C-5</u>	<u>C</u>	<u>C-7</u>	

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$0
Increased by:		
Ordinance Number 08-2016 for Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	<u>240,000</u>
Balance, December 31, 2016	C	<u><u>\$240,000</u></u>

**Detail:**

<u>Ordinance Number</u>	<u>Description</u>	
08-2016	N.J.D.O.T. for Various Capital Improvements and the Acquisition of Various Capital Equipment	<u><u>\$240,000</u></u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**Year Ended December 31, 2016**

Ordinance Number	Improvement Description	2016 Authorizations	Bond Anticipation	Balance Dec. 31, 2016
		<u>Ref.</u>	Notes Issued	<u>Ref.</u>
08-2016	Various Capital Improvements and the Acquisition of Various Capital Equipment	<u>\$1,545,217</u>	<u>\$1,545,216</u>	<u>\$1</u>

Ref.

C-5

C-7

(Footnote C)

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS**  
**Year Ended December 31, 2016**

	<b>Balance</b> <b>Dec. 31, 2015</b>	<b>Additions</b>	<b>Dispositions</b>	<b>Balance</b> <b>Dec. 31, 2016</b>
General Fixed Assets:				
Land, Buildings and Improvements	\$11,264,386			\$11,264,386
Machinery and Equipment	11,614,641	\$713,723	\$49,000	12,279,364
	<b><u>\$22,879,027</u></b>	<b><u>\$713,723</u></b>	<b><u>\$49,000</u></b>	<b><u>\$23,543,750</u></b>
<b><u>Ref.</u></b>	<b><u>D</u></b>			<b><u>D</u></b>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART III**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2016**

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

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

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

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

Department of Public Works Building Roof Replacement Project  
Grounds Keeping  
Real Property Data Collection  
2015 Capital Improvement Program  
Renovations to the Exterior of the Eatontown Senior Center  
Collection and Disposal of Residential Solid Household Waste  
Senior Center Transit Bus  
Wheel Loader

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

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

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

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

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

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

The governing body adopted the following resolution on January 1, 2016 authorizing interest and the maximum rates to be charged for the nonpayment of taxes on or before the date when they would become delinquent.

"Be it resolved that the interest to be charged on delinquent taxes during the year 2016 be and the same is hereby fixed at eight (8) per centum per annum on the first \$1,500.00 of delinquency and eighteen (18) per centum on any amount in excess of \$1,500.00, to be calculated from the date the tax was payable until the date of actual payment, provided, however, no interest shall be charged if the payment of the taxes due is made within the tenth (10) calendar day following the date upon which the same became payable."

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

**Tax Title Liens**

The last tax sale was held on June 7, 2016 and was complete.

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

2016	18
2015	19
2014	17

## SUMMARY OF MUNICIPAL DEBT

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>Issued</u></b>			
General bonds and notes	\$11,401,501	\$11,264,285	\$14,155,954
Less:			
Funds on hand to pay bonds and notes	-	-	<u>2,949,954</u>
Net debt issued	11,401,501	11,264,285	11,206,000
<b><u>Authorized but not Issued</u></b>			
General bonds and notes	<u>1</u>	-	-
Net bonds and notes issued and authorized but not issued	<u>\$11,401,502</u>	<u>\$11,264,285</u>	<u>\$11,206,000</u>

## SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.573%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School	\$21,200,000	\$21,200,000	-
Regional School	1,769,232	1,769,232	-
General Debt	<u>14,166,844</u>	<u>2,765,342</u>	<u>\$11,401,502</u>
	<u>\$37,136,076</u>	<u>\$25,734,574</u>	<u>\$11,401,502</u>

Net Debt \$11,401,502 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$1,988,352,557 equals 0.573%.

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

3½% of Equalized Valuation Basis	\$69,592,339
Net Debt	<u>11,401,502</u>
Remaining Borrowing Power	<u>\$58,190,837</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Municipal	\$ .789	\$ .789	\$ .789
Local School	.732	.721	.736
Regional School	.391	.406	.420
County	.271	.307	.311
Total tax rate	<u>\$2.183</u>	<u>\$2.223</u>	<u>\$2.256</u>

**ASSESSED VALUATIONS**

2016	\$2,171,048,361
2015	2,091,909,634
2014	2,018,248,527

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>CURRENTLY</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2016	\$47,603,417	\$46,565,137	97.82%
2015	46,793,932	46,058,657	98.43%
2014	45,610,277	44,577,984	97.74%

**DELINQUENT TAXES AND TAX LIENS**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax title liens	\$112,361	\$103,664	\$94,268
Delinquent taxes	<u>382,461</u>	<u>691,236</u>	<u>439,293</u>
Total delinquent	<u>\$494,822</u>	<u>\$794,900</u>	<u>\$533,561</u>
% of tax levy	1.04%	1.70%	1.17%

### **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<b>Year</b>	<b>Amount</b>
2016	\$201,300
2015	201,300
2014	201,300

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

<b>Year</b>	<b>Current Fund Balance</b>	<b>Utilized in Succeeding Budget</b>
2016	\$3,241,485	\$2,750,000
2015	3,332,244	2,650,000
2014	3,008,797	2,550,000

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

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

<b><u>Name</u></b>	<b><u>Title</u></b>
Dennis J. Connelly	Mayor
Donna Mazzella-Diedrichsen	Councilwoman
Mark W. Regan	Councilman
Anthony Talerico, Jr.	Councilman
Richard J. Robinson	Councilman
Kevin L. Gonzalez	Councilman
Virginia M. East	Councilwoman
George Jackson	Administrator
John Gillooly	Tax Assessor
Julie Martin	Clerk and Assessment Searcher
Patricia De Ponti	Tax Collector and Tax Searcher
Dena Amodea	Chief Financial Officer and Treasurer
Susan Schroeder Clark	Magistrate
Corinne DiCorcia	Deputy Clerk

Borough employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Monmouth Municipal Joint Insurance Fund. In addition, Borough employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000.00 by the Municipal Excess Liability Insurance Fund.

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART IV**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2016**

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2016**

**Other Internal Control and Compliance Matters**

**#2016-001**

**Comment**

We noted that there were expenditures without an appropriation in the current fund.

**Recommendation**

We recommend that the Borough develop and implement internal control procedures to avoid expenditures without appropriations.

**#2016-002**

**Comment**

We noted that the detective bureau did not remit certain revenue collections to the finance office within forty-eight hours of receipt.

**Recommendation**

We recommend that the detective bureau remit all revenue collections to the finance office within forty-eight hours of receipt in accordance with N.J.S.A. 40A:5-15.

**Status of Prior Year Recommendations**

The Borough has resolved all prior year recommendations.