

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

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

**YEAR ENDED**

**DECEMBER 31, 2014**

*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, 2014**

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

**FINANCIAL STATEMENTS**  
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**Year Ended December 31, 2014**

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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, 2014**

# 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, 2014 and 2013, the related statement 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, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2014 and 2013, 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.

## **Basis for Disclaimer of Opinion on Length of Service Award Program 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 9.78% and 8.91% of the assets, and liabilities, reserves and fund balance of the Borough's Trust Fund as of December 31, 2014 and 2013, respectively.

## **Disclaimer of Opinion on Length of Service Award Program Fund**

Since 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, we do not express an opinion on the LOSAP Fund financial statements.

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

In our opinion, except for the effects of such adjustments had all fixed assets acquired after December 31, 1985 been recorded at actual cost, the regulatory basis financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the various funds and the account group of the Borough as of December 31, 2014 and 2013, the statement of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2014 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## **Other Matters**

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

The 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 financial statements. Except for the LOSAP Fund supplementary schedules, such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the possible effects of such adjustments, if any, had the LOSAP Fund supplementary schedules been audited, the supplementary schedules and comments section are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2015 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.



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

*Oliwa & Company*

Freehold, New Jersey  
September 25, 2015

# *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 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, 2014, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated September 25, 2015, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, we expressed a qualified opinion on the regulatory basis financial statements since the Division of Local Government Services, Department of Community Affairs, State of New Jersey does not require the Length of Service Award Program Fund to be audited, and due to the effect of any adjustments that might have been determined to be necessary had all fixed assets acquired after December 31, 1985 been recorded at actual cost.

### **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 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  
September 25, 2015

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

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents:			
Cash - Treasurer	A-4	\$5,684,987	\$5,684,343
Change Funds		300	300
		<u>5,685,287</u>	<u>5,684,643</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	439,293	309,762
Tax Title Liens Receivable	A-7	94,268	80,902
Property Acquired for Taxes - Assessed Valuation		201,300	201,300
Revenue Accounts Receivable	A-8	57,860	44,971
Due from Animal Control Fund		4,849	8,331
Due from Payroll Fund		112,125	
Due from General Capital Fund		455	36
Due from Federal and State Grant Fund		36,939	74,643
	A	<u>947,089</u>	<u>719,945</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-53)		220,000	30,660
		<u>6,852,376</u>	<u>6,435,248</u>
Federal and State Grant Fund:			
Grants Receivable	A-13	730,693	286,005
		<u>\$7,583,069</u>	<u>\$6,721,253</u>

See Accompanying Notes

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

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
December 31, 2014 and 2013

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Appropriation Reserves	A-3:A-9	\$1,400,347	\$1,568,814
Reserve for Encumbrances	A-12	255,796	238,032
Reserve for Tax Appeals		193,597	145,682
Reserve for Outside Liens		3,037	48,212
Reserve for FEMA		193,659	143,947
Reserve for Revaluation		220,000	
Due State - Uniform Construction Code Fees		9,807	8,735
Due State - Marriage Licenses		750	675
Due State - Elevator Inspection Fees		2,460	
Due State - Elevator Permit Fees			685
Local District School Tax Payable	A-10	126,463	103,079
Regional High School Tax Payable	A-11	1	1
Prepaid Taxes		295,477	302,916
Tax Overpayments		137,223	21,584
Due to Other Trust Fund		5,666	12,837
Due to Eatontown Sewerage Authority			400
Due County for Added and Omitted Taxes		10,849	24,818
Due to State of New Jersey (PL 1971, Ch.20)		41,358	38,322
		<u>2,896,490</u>	<u>2,658,739</u>
Reserve for Receivables and Other Assets	A	947,089	719,945
Fund Balance	A-1	<u>3,008,797</u>	<u>3,056,564</u>
		<u>6,852,376</u>	<u>6,435,248</u>
 Federal and State Grant Fund:			
Appropriated Reserves	A-14	521,371	118,970
Due to Current Fund		36,939	74,643
Reserve for Encumbrances	A-14	172,380	92,389
Unappropriated Reserves	A-15	3	3
		<u>730,693</u>	<u>286,005</u>
		<u><u>\$7,583,069</u></u>	<u><u>\$6,721,253</u></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 December 31, 2014 and 2013**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Anticipated	A-2	\$2,550,000	\$2,900,000
Miscellaneous Revenue Anticipated	A-2	4,921,903	4,658,563
Receipts from Delinquent Taxes	A-2	241,915	481,417
Receipts from Current Taxes	A-2	44,577,984	44,095,089
Non-Budget Revenues	A-2	511,677	402,796
Unexpended Balance of Appropriation Reserves	A-9	1,232,554	896,330
Other Credits to Income:			
Statutory Excess in Animal Control Fund	A-4	4,849	2,095
Interfunds Returned		83,010	239
Total Revenue		<u>54,123,892</u>	<u>53,436,529</u>
<b><u>Expenditures</u></b>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	9,322,612	9,279,828
Other Expenses	A-3	8,782,661	8,121,839
Capital Improvements	A-3	280,000	51,000
Municipal Debt Service	A-3	1,816,303	1,896,855
Deferred Charges and Statutory Expenditures	A-3	1,825,801	2,190,649
County Taxes		6,287,236	6,331,637
Local District School Tax	A-10	14,781,607	14,628,868
Regional High School Tax	A-11	8,590,737	8,426,620
Refunds	A-1	334	685
Interfunds Advanced		154,368	76,774
Reserve for FEMA			86,977
Total Expenditures		<u>51,841,659</u>	<u>51,091,732</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, 2014 and 2013**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Excess in Revenue		\$2,282,233	\$2,344,797
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Years		<u>220,000</u>	<u>      </u>
Statutory Excess to Fund Balance		2,502,233	2,344,797
Fund Balance January 1	A	<u>3,056,564</u>	<u>3,611,767</u>
		<u>5,558,797</u>	<u>5,956,564</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>2,550,000</u>	<u>2,900,000</u>
Fund Balance December 31	A	<u>\$3,008,797</u>	<u>\$3,056,564</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, 2014**

	Ref.	<b>Anticipated</b>		<b>Excess or (Deficit)</b>
		<b>Budget</b>	<b>Special N.J.S. 40A:4-87</b>	
<b>Fund Balance Anticipated</b>	A-1	<b>\$2,550,000</b>		
<b>Miscellaneous Revenues:</b>				
Alcoholic Beverage Licenses	A-8	38,400	37,688	(\$712)
Other Licenses	A-8	17,280	23,350	6,070
Fees and Permits	A-8	227,800	293,207	65,407
Municipal Court Fines and Costs	A-8	505,100	668,490	163,390
Interest and Costs on Taxes	A-8	108,600	77,427	(31,173)
Interest on Investments	A-8	3,943	4,706	763
Consolidated Municipal Property Tax Relief Act	A-8	70,258	70,258	
Energy Receipts Tax	A-8	1,394,357	1,394,357	
Uniform Construction Code Fees	A-8	505,000	420,789	(84,211)
Mechanical Garage - Eatontown Board of Education	A-8	4,000	5,603	1,603
Clean Communities Program	A-13		\$22,581	22,581
Municipal Alliance on Alcoholism and Drug Abuse	A-13	13,093	13,093	26,186
Safe and Secure Communities Program	A-13	60,000		60,000
Bulletproof Vest	A-13	4,724		4,724
New Jersey Transportation Trust Fund	A-13	185,000		185,000
Open Space Monmouth County	A-13	180,000		180,000
Open Space Stewardship	A-13		750	750
Handicapped Recreation Opportunities Fund	A-13		20,000	20,000
No Net Loss Reforestation	A-13		210,600	210,600
Drunk Driving Enforcement Fund	A-13		3,924	3,924

See Accompanying Notes

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

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2014**

Miscellaneous Revenues (continued):  
 Cooperative Housing Inspection Grant  
 Senior Citizens Housing (In Lieu of Taxes)  
 Borough Community Center Programs  
 Uniform Fire Safety Act  
 General Capital Fund Surplus  
 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

<b>Ref.</b>	<b>Anticipated</b>			<b>Excess or (Deficit)</b>
	<b>Budget</b>	<b>Special N.J.S. 40A:4-87</b>	<b>Realized</b>	
A-8	\$3,500		\$10,989	\$7,489
A-8	197,170		204,003	6,833
A-8	267,600		301,951	34,351
A-8	75,000		73,116	(1,884)
A-8	1,437		1,437	
A-8	340,100		260,486	(79,614)
A-8	289,300		262,659	(26,641)
A-8	97,622		97,622	
A-1	<u>4,589,284</u>	<u>\$270,948</u>	<u>4,921,903</u>	<u>61,671</u>
A-1:A-2	<u>302,000</u>		<u>241,915</u>	<u>(60,085)</u>
A-2:A-6	<u>15,917,722</u>		<u>16,775,157</u>	<u>857,435</u>
A-2	23,359,006	270,948	24,488,975	<u>\$859,021</u>
			511,677	
<b>Ref.</b>	<b>\$23,359,006</b>	<b>\$270,948</b>	<b>\$25,000,652</b>	
	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, 2014

	<u>Ref.</u>
<b><u>Analysis of Realized Revenues</u></b>	
Allocation of Current Tax Collections:	
Revenue from Collections	A-1:A-6
	<u>\$44,577,984</u>
Allocated to School and County Taxes	<u>29,617,007</u>
Balance for Support of Municipal Budget Appropriations	14,960,977
Add:	
Appropriation "Reserve for Uncollected Taxes"	A-3
	<u>1,814,180</u>
Amount for Support of Municipal Budget Appropriations	A-2
	<u><u>\$16,775,157</u></u>
<b><u>Receipts from Delinquent Taxes</u></b>	
Delinquent Tax Collections	A-2:A-6
	<u><u>\$241,915</u></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, 2014**

**Analysis of Non-Budget Revenues**

Insurance Refund	\$166,953
Recreation Fees	65,642
Other Police Fees	45,174
Recycling	40,996
Police Auction	35,981
Police Outside Employment Administrative Fees	33,777
Trailer Tax	26,354
Prior Year Health Insurance Reimbursement	21,502
Police Impound Fees	17,760
Inspection of Buildings	14,305
Inspection Fines	10,480
Senior Citizen Trips	7,884
Calendar Advertising	7,775
Election Reimbursements	3,333
Return of LOSAP funds	2,657
Celebration of Public Events	2,521
Planning Board	2,186
SC/V Administrative Fee	1,825
Mayor's Marriage Fees	1,575
Community Center	1,292
Other Refunds and Reimbursements	970
Returned Check Fees	735
	<b><u>\$511,677</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, 2014**

	<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	\$229,500	\$235,023	\$224,661	\$10,362		
Other Expenses	23,950	23,950	18,889	5,061		
Labor Attorney:	20,000	20,000	11,709	8,291		
Mayor and Council:						
Salaries and Wages	62,510	62,510	62,510			
Other Expenses	6,400	6,400	4,990	1,410		
Advertising:						
Other Expenses	26,480	26,480	9,822	16,658		
Elections:						
Salaries and Wages	1,890	1,890	1,890			
Other Expenses	4,140	4,640	2,856	1,784		
Municipal Clerk:						
Salaries and Wages	149,265	149,265	145,744	3,521		
Other Expenses	14,250	14,250	9,593	4,657		
Information Technology:						
Salaries and Wages	88,364	91,957	91,501	456		
Other Expenses	25,144	25,144	18,438	6,706		

See Accompanying Notes

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2014**

	<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	\$34,900	\$34,900	\$34,848	\$52	
Other Expenses	28,850	28,850	19,491	9,359	
Financial Administration:					
Salaries and Wages	190,015	197,228	194,325	2,903	
Other Expenses	45,900	45,900	33,368	12,532	
Bond Registration Fees	3,000	3,000	1,314	1,686	
Audit Services	48,000	48,000	5,450	42,550	
Assessment of Taxes:					
Salaries and Wages	83,460	83,460	81,210	2,250	
Other Expenses	16,450	16,450	16,052	398	
Revaluation (40A:4-53, \$220,000+)		220,000	220,000		
Collection of Taxes:					
Salaries and Wages	82,440	82,440	80,042	2,398	
Other Expenses	8,570	8,570	7,142	1,428	
Legal Services and Costs:					
Other Expenses	185,000	185,000	161,345	23,655	
Special Counsel	95,000	95,000		95,000	

See Accompanying Notes

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2014**

	<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>					
Municipal Prosecutor:					
Salaries and Wages	\$36,000	\$36,000	\$36,000		
Engineering Service and Costs:					
Miscellaneous Other Expenses	80,000	80,000	68,034	\$11,966	
Public Buildings and Grounds:					
Salaries and Wages	168,250	172,813	171,180	1,633	
Other Expenses	115,100	120,100	115,266	4,834	
Municipal Land Use Law (NJSA 40:55D-1)					
Planning Board:					
Salaries and Wages	2,400	2,400	347	2,053	
Other Expenses	23,325	23,325	10,512	12,813	
Board of Adjustment:					
Salaries and Wages	1,200	1,200	87	1,113	
Other Expenses	14,450	14,450	2,595	11,855	
Zoning Officer:					
Salaries and Wages	123,100	123,100	113,602	9,498	
Other Expenses	3,050	3,050	2,063	987	

See Accompanying Notes

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2014**

	<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	\$74,100	\$74,100	\$74,100		
Other Expenses	14,500	14,500	13,502	\$998	
Environmental Program:					
Salaries and Wages	100	100		100	
Other Expenses	3,400	3,400	798	2,602	
Gypsy Moth Program:					
Other Expenses	100	100		100	
Public Safety:					
Fire:					
Salaries and Wages	5,700	5,700	5,660	40	
Fire Hydrant Service	134,400	134,400	124,696	9,704	
Miscellaneous Other Expenses	81,300	81,300	70,423	10,877	
Insurance:					
Group Insurance	3,380,520	3,380,520	2,907,379	473,141	
Health Benefit Waiver	70,000	70,000	70,000		
Other Insurance	359,610	359,610	338,840	20,770	
Workman's Compensation	422,550	422,550	422,148	402	

See Accompanying Notes

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2014**

	<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>					
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	\$71,000	\$71,000	\$62,869	\$8,131	
Other Expenses	8,600	8,600	4,364	4,236	
Police:					
Salaries and Wages	5,070,251	5,090,707	5,023,233	67,474	
Other Expenses	251,100	267,100	257,200	9,900	
Tuition Reimbursement	50,000	50,000	50,000		
First Aid Organization Contribution:	32,075	32,075	24,649	7,426	
Demolition of Condemned and Unsafe Structures:					
Other Expenses	1,000	1,000		1,000	
Emergency Management Services:					
Salaries and Wages	3,100	3,100	3,100		
Other Expenses	8,050	8,050	5,628	2,422	
Road Repair and Maintenance:					
Salaries and Wages	951,700	961,653	960,486	1,167	
Other Expenses	85,000	93,000	80,540	12,460	
Municipal Court:					
Salaries and Wages	47,500	47,500	46,954	546	
Other Expenses	5,000	8,000	7,810	190	

See Accompanying Notes

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2014**

	<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>					
Maintaining of Borough Equipment:					
Salaries and Wages	\$343,340	\$352,372	\$346,822	\$5,550	
Other Expenses	177,600	185,600	169,637	15,963	
Street Lighting:	142,000	142,000	98,307	43,693	
Monmouth County Reclamation Fees:	350,000	328,500	281,641	46,859	
Recycling - Contractual:					
Salaries and Wages	30,000	21,155	731	20,424	
Other Expenses	113,800	104,527	85,003	19,524	
Sanitation - Apartment Collection	250,000	250,000	247,400	2,600	
Health and Welfare:					
Monmouth Cty. Reg. Health Com. (NJSA 40:13)					
Salaries and Wages	8,407	8,407	7,945	462	
Administration of Public Assistance:					
Other Expenses	1,750	1,750		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, 2014**

	<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	\$1,500			\$1,500
Housing Inspection:					
Salaries and Wages	76,270	78,912	\$78,912		
Other Expenses	550	550	227		323
Animal Control:					
Other Expenses	2,500	2,500	2,500		
Recreation and Education:					
Parks:					
Salaries and Wages	526,200	526,200	519,068		7,132
Other Expenses	68,650	73,650	71,440		2,210
Recreation:					
Salaries and Wages	141,900	141,900	132,852		9,048
Other Expenses	55,495	56,777	51,495		5,282
Celebration of Public Events:					
Other Expenses	12,950	12,950	10,707		2,243

See Accompanying Notes

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2014**

<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>	
Borough Community Center:					
Salaries and Wages	\$223,300	\$223,300	\$223,300		
Other Expenses	25,100	28,663	24,520	\$4,143	
Miscellaneous Other Expenses:					
Youth Committee	2,800	2,800	1,380	1,420	
Tenant's Rights Committee	1,000	1,000		1,000	
Senior Citizen Programs:					
Salaries and Wages	39,500	39,500	28,872	10,628	
Other Expenses	15,560	15,560	13,400	2,160	
Uniform Construction Code -					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4.17)					
Inspection of Buildings:					
Salaries and Wages	329,020	329,020	317,132	11,888	
Other Expenses	26,350	26,350	7,100	19,250	

See Accompanying Notes

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2014**

	<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>						
Unclassified:						
Fuel for Motor Vehicles	\$270,000	\$270,000	\$253,010	\$16,990		
Salaries and Wages - Adjustment Program	55,000	6,856	6,856			
Business Advisory Committee	1,000	1,000		1,000		
Employee Sick Time Buy - Back	75,000	44,169	19,206	24,963		
Accumulated Absences	10,000	10,000	10,000			
Electricity	142,000	142,000	120,474	21,526		
Telephone	120,000	120,000	93,118	26,882		
Water	20,100	20,100	16,550	3,550		
Natural Gas	78,000	78,000	62,114	15,886		
Total Operations within "CAPS"	<u>16,907,651</u>	<u>17,122,378</u>	<u>15,832,974</u>	<u>1,289,404</u>		
Contingent	<u>4,000</u>	<u>4,000</u>	<u>966</u>	<u>3,034</u>		
Total Operations Including Contingent within "CAPS"	<u>16,911,651</u>	<u>17,126,378</u>	<u>15,833,940</u>	<u>1,292,438</u>		
Detail:						
Salaries and Wages	9,194,682	9,248,812	9,069,983	178,829		
Other Expenses (Including Contingent)	<u>7,716,969</u>	<u>7,877,566</u>	<u>6,763,957</u>	<u>1,113,609</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, 2014**

	<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.	\$446,767	\$446,767	\$446,767		
Social Security System (O.A.S.I.)	450,000	450,000	422,949	\$27,051	
Police and Firemen's Retirement System of N.J.	845,863	845,863	845,863		
Defined Contribution Retirement Program	11,600	11,600	8,438	3,162	
Early Retirement Incentive Program	32,411	32,411	32,411		
Unemployment Compensation Insurance	8,500	8,500	8,500		
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>1,795,141</u>	<u>1,795,141</u>	<u>1,764,928</u>	<u>30,213</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>18,706,792</u>	<u>18,921,519</u>	<u>17,598,868</u>	<u>1,322,651</u>	

See Accompanying Notes

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
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**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2014**

	<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	\$66,300	\$66,300	\$60,678	\$5,622	
Other Expenses	9,504	9,504	7,443	2,061	
Telephone	2,500	2,500	2,500		
9-1-1 System (40A:4-45.3cc)					
Other Expenses	19,500	19,500	19,500		
Tax Appeal Reserve	50,000	50,000	50,000		
State Recycling Tax (C.311, P.L. 2007)	14,800	14,800	11,487	3,313	
Employee Group Health	67,480	67,480	67,480		
NJDEP/Storm Water Mgt. (40A:4-45.3cc)	10,000	10,000	5,300	4,700	
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>302,084</u>	<u>302,084</u>	<u>224,388</u>	<u>77,696</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, 2014**

	<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	100,000	100,000	100,000		
Total Shared Service Agreements	104,000	104,000	104,000		
<b>Public and Private Programs Offset by Revenues:</b>					
Handicapped Person's Recreational					
Opportunity Fund		20,000	20,000		
Clean Communities Program		22,581	22,581		
Inspection of Buildings:					
Salaries and Wages	3,500	3,500	3,500		
Drunk Driving Enforcement Fund		3,924	3,924		
Body Armor Fund	4,724	4,724	4,724		
Safe and Secure Communities Program	90,000	90,000	90,000		
Municipal Alliance on Alcoholism and Drug Abuse	16,366	29,459	29,459		
No Net Loss Reforestation		210,600	210,600		

See Accompanying Notes

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

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2014**

	<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>					
Public and Private Programs Offset by Revenues (Continued):					
Open Space Stewardship		\$750	\$750		
Open Space Monmouth County	\$180,000	180,000	180,000		
Matching Funds for Grants	2,000	7,273	7,273		
Total Public and Private Programs Offset by Revenues	<u>296,590</u>	<u>572,811</u>	<u>572,811</u>		
 Total Operations Excluded from "CAPS"	 <u>702,674</u>	 <u>978,895</u>	 <u>901,199</u>	 <u>\$77,696</u>	 <u>      </u>
 Detail:					
Salaries and Wages	73,800	73,800	68,178	5,622	
Other Expenses	<u>628,874</u>	<u>905,095</u>	<u>833,021</u>	<u>72,074</u>	<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, 2014**

	<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>Capital Improvements Excluded from "CAPS"</u></b>					
Capital Improvement Fund	\$95,000	\$95,000	\$95,000		
New Jersey DOT Trust Fund Authority Act	185,000	185,000	185,000		
	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>		
<b><u>Municipal Debt Service Excluded from "CAPS"</u></b>					
Payment of Bond Principal	949,000	949,000	949,000		
Interest on Bonds	406,000	406,000	402,045		\$3,955
Interest on Notes	45,800	45,800	42,800		3,000
Loan Repayments for Principal and Interest	51,800	51,800	51,352		448
Capital Lease Obligations					
Principal	325,100	325,100	324,106		994
Interest	<u>47,000</u>	<u>47,000</u>	<u>47,000</u>		
Total Municipal Debt Service Excluded from "CAPS"	<u>1,824,700</u>	<u>1,824,700</u>	<u>1,816,303</u>		<u>8,397</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, 2014**

	<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>\$30,660</u>	<u>\$30,660</u>	<u>\$30,660</u>		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,838,034</u>	<u>3,114,255</u>	<u>3,028,162</u>	<u>\$77,696</u>	<u>\$8,397</u>
Subtotal General Appropriations	<u>21,544,826</u>	<u>22,035,774</u>	<u>20,627,030</u>	<u>1,400,347</u>	<u>8,397</u>
Reserve for Uncollected Taxes	<u>1,814,180</u>	<u>1,814,180</u>	<u>1,814,180</u>		
Total General Appropriations	<u><u>\$23,359,006</u></u>	<u><u>\$23,849,954</u></u>	<u><u>\$22,441,210</u></u>	<u><u>\$1,400,347</u></u>	<u><u>\$8,397</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		\$23,359,006		
Appropriation by 40A:4-87	A-2		270,948		
Emergency Appropriation 40A:4-53			220,000		
			<u><u>\$23,849,954</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, 2014**

	<u>Ref.</u>	<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$1,814,180
Disbursed	A-4	19,316,263
Reserve for Encumbrances	A-12	255,796
Reserve for Grants Appropriated	A-14	754,311
Reserve for Tax Appeals		50,000
Reserve for Revaluation		220,000
Special Emergency Authorization (40A:4-53)		<u>30,660</u>
		<u><u>\$22,441,210</u></u>

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

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2014 and 2013**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>Assets</u></b>			
Animal Control Fund:			
Cash and Cash Equivalents	B-2	<u>\$21,459</u>	<u>\$26,509</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-2	<u>3,863,364</u>	<u>3,784,535</u>
Due from Current Fund		<u>5,666</u>	<u>12,837</u>
		<u>3,869,030</u>	<u>3,797,372</u>
Length of Service Award			
Program Fund:			
(LOSAP) - Unaudited			
Investments	B-5	<u>421,949</u>	<u>374,021</u>
		<u>\$4,312,438</u>	<u>\$4,197,902</u>

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

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Animal Control Fund:			
Due to State of New Jersey		\$99	\$72
Reserve for Animal Control Fund Expenditures	B-3	13,572	14,642
Due to Current Fund		4,849	8,331
Prepaid Licenses		2,939	3,464
		<u>21,459</u>	<u>26,509</u>
Other Trust Fund:			
Reserve for Other Trust Fund Deposits	B-4	<u>3,869,030</u>	<u>3,797,372</u>
Length of Service Award			
Program Fund:			
(LOSAP) - Unaudited			
Reserve for Length of Service Award			
Program Fund	B-6	<u>421,949</u>	<u>374,021</u>
		<u><u>\$4,312,438</u></u>	<u><u>\$4,197,902</u></u>

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

**TRUST FUND**  
**COMPARATIVE STATEMENT OF OTHER TRUST FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2014 and 2013**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Balance, January 1		\$0	\$63
Decreased by:			
Payment to Current Fund as Anticipated Revenue		_____	63
Balance, December 31		<u>\$0</u>	<u>\$0</u>

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

**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	C-2	\$5,806,585	\$2,818,368
Deferred Charges to Future Taxation:			
Funded	C-9	11,206,000	8,430,592
Unfunded			2,949,954
Leased Assets under Capital Lease		595,100	920,200
Other			1
		<b><u>\$17,607,685</u></b>	<b><u>\$15,119,115</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
General Serial Bonds	C-6	\$11,206,000	\$8,380,000
Green Trust Loans Payable	C-10		50,592
Bond Anticipation Notes	C-7	2,949,954	2,949,954
Improvement Authorizations:			
Funded	C-5	1,919,202	1,464,264
Unfunded	C-5		381,760
Lease Obligations Payable	C-8	595,100	920,200
Reserve for Encumbrances	C-5	891,037	962,449
Capital Improvement Fund	C-4	36,547	8,423
Due to Current Fund		455	36
Fund Balance	C-1	9,390	1,437
		<b><u>\$17,607,685</u></b>	<b><u>\$15,119,115</u></b>

There were no bonds and notes authorized but not issued on December 31, 2014 and December 31, 2013. (Schedule C-11)

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, 2014 and 2013**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	C	\$1,437	\$10,852
Increased by:			
Premium on Serial Bonds Issued	C-2	9,390	
Premium on Notes Issued			1,437
		<u>10,827</u>	<u>12,289</u>
Decreased by:			
Payment to Current Fund as Anticipated			
Revenue	C-2	1,437	10,852
Balance, December 31	C	<u>\$9,390</u>	<u>\$1,437</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, 2014 and 2013**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b><u>Assets</u></b>			
General Fixed Assets:			
Land, Buildings and Improvements		\$11,264,386	\$11,249,135
Machinery and Equipment		<u>11,263,824</u>	<u>11,440,991</u>
Total General Fixed Assets		<u><u>\$22,528,210</u></u>	<u><u>\$22,690,126</u></u>
<b><u>Liabilities and Reserves</u></b>			
Investment in General Fixed Assets	D-1	<u><u>\$22,528,210</u></u>	<u><u>\$22,690,126</u></u>

See Accompanying Notes

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

**PAYROLL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	<u>\$133,084</u>	<u>\$21,592</u>
<b><u>Reserves</u></b>		
Reserve for Expenditures	\$20,959	\$21,592
Due to Current Fund	<u>112,125</u>	
	<u>\$133,084</u>	<u>\$21,592</u>

See Accompanying Notes

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

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2014**

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

**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, 2014 and 2013 the Borough’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Uninsured and Uncollateralized	\$1,963,359	\$1,814,316
Uninsured and Collateralized with		
Securities Held by Pledging		
Financial Institutions	9,770,310	5,826,472
	<u>\$11,733,669</u>	<u>\$7,640,788</u>

In addition, as of December 31, 2014 and 2013, the Borough had \$1,783,544 and \$2,682,094, 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, 2014 and 2013 were \$421,949 and \$374,021, respectively.

**Credit Risk** - State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2014 and 2013 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	Balance Dec. 31, 2014
General Improvement	12/4/02	\$1,553,000	5.00%	\$11,000
General Improvement	12/29/05	1,327,000	4.00-5.00%	403,000
General Improvement	12/4/08	4,549,000	4.00-5.25%	3,412,000
General Improvement	12/29/11	4,150,000	5.00%	3,080,000
General Improvement	5/22/12	1,180,000	4.00%	525,000
General Improvement	12/9/14	3,775,000	3.00-5.00%	3,775,000
				<u>\$11,206,000</u>

Long-term bonded debt service requirements are as follows:

Year	Principal	Interest	Total
2015	\$1,186,000	\$507,603	\$1,693,603
2016	1,232,000	466,544	1,698,544
2017	1,282,000	415,644	1,697,644
2018	1,194,000	360,094	1,554,094
2019	1,253,000	304,874	1,557,874
2020-2024	4,351,000	723,529	5,074,529
2025-2026	708,000	53,835	761,835
	<u>\$11,206,000</u>	<u>\$2,832,123</u>	<u>\$14,038,123</u>

#### Long-Term Debt

Long-term debt transactions for the years ended December 31, 2014 and 2013 are summarized as follows:

	Balance			Balance Dec. 31, 2014
	Dec. 31, 2013	Additions	Deductions	
General Capital Fund:				
General Serial Bonds	\$8,380,000	\$3,775,000	\$949,000	\$11,206,000
Green Trust Loans	50,592		50,592	
	<u>\$8,430,592</u>	<u>\$3,775,000</u>	<u>\$999,592</u>	<u>\$11,206,000</u>
	Balance			Balance Dec. 31, 2013
	Dec. 31, 2012	Additions	Deductions	
General Capital Fund:				
General Serial Bonds	\$9,297,000		\$917,000	\$8,380,000
Green Trust Loans	100,187		49,595	50,592
	<u>\$9,397,187</u>	<u>-</u>	<u>\$966,595</u>	<u>\$8,430,592</u>

**3. DEBT (continued)**

**Short-Term Debt**

At December 31, 2014 and 2013 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, 2014</b>
Various Improvements	11/14/14	1/27/15	1.00%	\$1,047,850
Various Improvements and Acquisition of a Fire Truck	8/13/14	1/27/15	0.95%	<u>1,902,104</u> <u>\$2,949,954</u>
<b>Purpose</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2013</b>
Various Improvements	12/12/13	12/11/14	1.50%	\$1,047,850
Various Improvements and Acquisition of a Fire Truck	8/14/13	8/13/14	1.50%	<u>1,902,104</u> <u>\$2,949,954</u>

Bond anticipation note transactions for the years ended December 31, 2014 and 2013 are summarized as follows:

	<b>Balance</b> <b>Dec. 31, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b> <b>Dec. 31, 2014</b>
General Capital Fund: Bond Anticipation Notes	<u>\$2,949,954</u>	<u>\$2,949,954</u>	<u>\$2,949,954</u>	<u>\$2,949,954</u>
	<b>Balance</b> <b>Dec. 31, 2012</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b> <b>Dec. 31, 2013</b>
General Capital Fund: Bond Anticipation Notes	<u>\$1,047,850</u>	<u>\$2,949,954</u>	<u>\$1,047,850</u>	<u>\$2,949,954</u>

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

Fund balances at December 31, 2014 and 2013, which were appropriated and included as anticipated revenue in the current fund budget for the years ended December 31, 2015 and 2014 were as follows:

For the year ended December 31, 2015,

Current Fund	\$2,550,000
--------------	-------------

For the year ended December 31, 2014,

Current Fund	\$2,550,000
General Capital	1,437

#### **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,	
	2014	2013
Prepaid Taxes	\$295,477	\$302,916

#### **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, 2014 and 2013 as follows:

	Local District School Tax		Regional High School Tax	
	2014	2013	2014	2013
Balance of Tax	\$7,552,246	\$7,458,903	\$4,239,103	\$4,351,635
Deferred	<u>7,425,783</u>	<u>7,355,824</u>	<u>4,239,102</u>	<u>4,351,634</u>
Tax Payable	<u>\$126.463</u>	<u>\$103,079</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, 2014 and 2013 were \$978,601 and \$1,001,270, 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, 2014 and 2013 was as follows:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Land, Buildings and Improvements	\$11,249,135	\$15,251		\$11,264,386
Machinery and Equipment	11,440,991	253,300	\$430,467	11,263,824
	<u>\$22,690,126</u>	<u>\$268,551</u>	<u>\$430,467</u>	<u>\$22,528,210</u>
	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Land, Buildings and Improvements	\$11,219,955	\$29,180		\$11,249,135
Machinery and Equipment	10,155,193	1,930,007	\$644,209	11,440,991
	<u>\$21,375,148</u>	<u>\$1,959,187</u>	<u>\$644,209</u>	<u>\$22,690,126</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</u>
				<u>Dec. 31, 2014</u>
Capital Equipment	8/18/05	\$1,846,000	5.00%	\$223,400
Capital Equipment	10/4/07	1,131,900	5.00%	371,700
				<u><b>\$595,100</b></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>
2015	\$341,300	\$29,755	\$371,055
2016	123,800	12,690	136,490
2017	130,000	6,500	136,500
	<u><b>\$595,100</b></u>	<u><b>\$48,945</b></u>	<u><b>\$644,045</b></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, 2014, 2013 and 2012 were \$39,754, \$32,427 and \$24,014, 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 6.78% of base wages through June 30, 2014. Effective July 1, 2014 PERS employee contributions were 6.92% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually. Contributions to the plans for the past three years were as follows:

<u>PERS</u>		<u>PFRS</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$446,767	2014	\$845,863
2013	465,773	2013	1,024,099
2012	454,288	2012	929,241

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

### Defined Contribution Retirement Program

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

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

**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, 2014 the following deferred charges were reflected on the balance sheet of the current fund:

	Balance Dec. 31, 2014	2015 Budget Appropriation	Balance to Succeeding Budgets
Special Emergency Authorization (40A:4-53)	\$220,000	\$44,000	\$176,000

The appropriation in the 2015 budget is not less than required by statute.

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

	Balance Dec. 31, 2013	2014 Budget Appropriation	Balance to Succeeding Budget
Special Emergency Authorization (40A:4-53)	\$30,660	\$30,660	-

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

**16. INTERFUND BALANCES**

The balances of interfund receivables and payables at December 31, 2014 and 2013 are presented below:

	December 31, 2014	December 31, 2013
<b>Receivables</b>		
Current Fund	\$154,368	\$83,010
Other Trust Fund	5,666	12,837
	<b>\$160,034</b>	<b>\$95,847</b>
<b>Payables</b>		
Current Fund	\$5,666	\$12,837
General Capital Fund	455	36
Animal Control Fund	4,849	8,331
Payroll Fund	112,125	
Federal and State Grant Fund	36,939	74,643
	<b>\$160,034</b>	<b>\$95,847</b>

## **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, 2014 and 2013 were \$1,217,494 and \$1,122,732, 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 EVENTS**

In May 2015 the Borough adopted an ordinance to authorize the refunding of all or a portion of the Borough’s General Obligation Bonds, Series 2008.

In July 2015 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$1,444,285 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, 2014**

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

**CURRENT FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013	A	<u>\$5,684,343</u>
Increased by Receipts:		
Collector	A-5	\$44,940,074
Revenue Accounts Receivable	A-8	4,130,712
State of New Jersey (PL 1971, Ch.20)		93,058
Miscellaneous Revenue not Anticipated	A-2	511,677
Grants Receivable	A-13	269,077
Amount Due from Animal Control Fund	A-1	4,849
Reserves for:		
Marriage License Fees		2,375
Training Fees		26,480
Elevator Inspections		44,727
Outside Liens		423,316
FEMA		49,711
Interfunds		<u>14,033</u>
		<u>50,510,089</u>
		<u>56,194,432</u>
Decreased by Disbursements:		
Budget Appropriations	A-3	19,316,263
Appropriation Reserves	A-9	574,292
Local District School Tax	A-10	14,758,223
Regional High School Tax	A-11	8,590,737
Appropriated Reserves	A-14	271,919
County Taxes		6,301,205
Refund of Tax Overpayments		14,340
Due to Eatontown Sewerage Authority		10,629
Refunds	A-1	334
Interfunds		130,266
Reserves for:		
Training Fees		25,408
Marriage Licenses		2,300
Elevator Inspections		42,952
Outside Liens		468,492
Tax Appeals		<u>2,085</u>
		<u>50,509,445</u>
Balance, December 31, 2014	A	<u>\$5,684,987</u>

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

**CURRENT FUND**  
**SCHEDULE OF CURRENT CASH - COLLECTOR**  
**Year Ended December 31, 2014**

	<b><u>Ref.</u></b>	
Increased by Receipts:		
Taxes Receivable	A-6	\$44,422,799
Prepaid Taxes		295,477
Revenue Accounts Receivable -		
Interest and Costs on Taxes	A-8	77,427
Tax Overpayments		134,142
Due to Eatontown Sewerage Authority		<u>10,229</u>
		<u><u>\$44,940,074</u></u>
Decreased by Disbursements:		
Payment to Treasurer - Current Fund	A-4	<u><u>\$44,940,074</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, 2014**

Year	Balance Dec. 31, 2013	2014 Levy	Collection by Cash		Senior Citizens and Veterans Deductions		Canceled and Adjustments	Overpayments Applied	Transferred to Tax Title Liens		Balance Dec. 31, 2014
			2013	2014							
Prior 2013	\$62,667 247,095			\$12,777 229,138			\$2,712 11,552			\$3,666	\$47,178 2,739
	309,762			241,915			14,264			3,666	49,917
2014	\$45,610,277	\$302,916	\$44,180,884	\$90,021	633,217	\$4,163	9,700	389,376			
	<u>\$309,762</u>	<u>\$45,610,277</u>	<u>\$302,916</u>	<u>\$44,422,799</u>	<u>\$90,021</u>	<u>\$647,481</u>	<u>\$4,163</u>	<u>\$13,366</u>	<u>\$439,293</u>		

Ref.      A

A-5

A-7

A

**Analysis of 2014 Property Tax Levy**

**Tax Yield:**

General Purpose Tax	\$45,531,687
Added Taxes (54:4-63.1 Et Seq.)	78,590
	<u>\$45,610,277</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, 2014**

**Analysis of 2014 Property Tax Levy (continued)**

	<u>Ref.</u>	
Tax Levy:		
Regional High School Tax	A-11	\$8,478,205
Local District School Tax	A-10	14,851,566
County Taxes:		
County Tax		5,514,011
County Library Tax		352,079
County Open Space Tax		299,967
County Health Tax		110,330
Due to County for Added and Omitted Taxes		10,849
Total County Taxes		<u>6,287,236</u>
Local Tax for Municipal Purposes	A-2	15,917,722
Add: Additional Tax Levied		75,548
Local Tax for Municipal Purposes Levied		<u>15,993,270</u>
		<u><u>\$45,610,277</u></u>

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

**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS**  
**Year Ended December 31, 2014**

	<b><u>Ref.</u></b>	
Balance, December 31, 2013	A	\$80,902
Increased by:		
Transfers from Taxes Receivable	A-6	<u>13,366</u>
Balance, December 31, 2014	A	<u><u>\$94,268</u></u>

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

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
Year Ended December 31, 2014**

	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Accrued in 2014</u>	<u>Realized / Collected</u>	<u>Balance Dec. 31, 2014</u>
Alcoholic Beverage Licenses	A-2		\$37,688	\$37,688	
Other Licenses	A-2		23,350	23,350	
Fees and Permits	A-2		293,207	293,207	
Municipal Court Fines and Costs	A-2	\$44,971	681,379	668,490	\$57,860
Interest and Costs on Taxes	A-2		77,427	77,427	
Interest on Investments	A-2		4,706	4,706	
Consolidated Municipal Property Tax Relief Act	A-2		70,258	70,258	
Energy Receipts Tax	A-2		1,394,357	1,394,357	
Uniform Construction Code Fees	A-2		420,789	420,789	
Mechanical Garage - Eatontown Board of Education	A-2		5,603	5,603	
Cooperative Housing Inspection Grant	A-2		10,989	10,989	
Senior Citizen Housing (In Lieu of Taxes)	A-2		204,003	204,003	
Borough Community Center Programs	A-2		301,951	301,951	
Uniform Fire Safety Act	A-2		73,116	73,116	
General Capital Fund Surplus	A-2		1,437	1,437	
Hotel Tax	A-2		260,486	260,486	
Cell Tower Agreements	A-2		262,659	262,659	
CATV Franchise Fees	A-2		97,623	97,623	
		<u>\$44,971</u>	<u>\$4,221,028</u>	<u>\$4,208,139</u>	<u>\$57,860</u>

	<u>Ref.</u>	<u>A</u>	<u>A</u>
Collected by:			
Treasurer	A-4		\$4,130,712
Tax Collector:			
Interest and Costs on Taxes	A-5		77,427
			<u>\$4,208,139</u>

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

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2014**

	<b>Balance Dec. 31, 2013</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	\$6,702		\$6,702	\$3,762	\$2,940
Mayor and Council	238		238	148	90
Elections	63		63		63
Information Technology	8		8		8
Purchasing	135		135		135
Financial Administration	2,473		2,473		2,473
Assessment of Taxes	2,250		2,250		2,250
Collection of Taxes	1,387		1,387	266	1,121
Public Buildings and Grounds	5,273		5,273	874	4,399
Planning Board	5,936		5,936	4,073	1,863
Board of Adjustment	280		280		280
Zoning Officer	39,799		39,799	4,004	35,795
Environmental Program	100		100		100
Fire	1		1		1
Uniform Fire Safety Act	11,016	\$350	11,366	477	10,889
Police	251,076		251,076	8,087	242,989
Road Repair and Maintenance	53,228		53,228		53,228
Municipal Court	64,082		64,082	8,387	55,695
Maintaining Borough Equipment	2,192		2,192		2,192
Recycling	30,743		30,743		30,743
Monmouth County Reg.					
Health Com. (NJSA 40:13)	127		127		127
Housing Inspection	215		215		215
Recreation	2,729		2,729		2,729
Community Center	8,624	324	8,948	6,841	2,107
Senior Citizens Programs	18,572		18,572		18,572
Adjustment Program	10,017		10,017		10,017
Aid to Privately Owned Library	7,747		7,747	755	6,992
<b>Other Expenses:</b>					
Administrative and Executive	6,398	7,299	13,697	7,204	6,493
Mayor and Council	52		52		52
Advertising	11,930	1,760	13,690	3,039	10,651
Elections	2,088	1,827	3,915	1,107	2,808
Municipal Clerk	5,892	257	6,149	257	5,892
Information Technology	4,845	1,145	5,990	872	5,118
Purchasing	7,179	1,350	8,529	1,350	7,179
Financial Administration	7,825	220	8,045	5,769	2,276

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

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2014**

	Balance Dec. 31, 2013	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses (continued):					
Bond Registration Fees	\$1,690		\$1,690		\$1,690
Audit Services	35,350	\$2,000	37,350	\$37,350	
Assessment of Taxes	12	1,894	1,906	1,582	324
Collection of Taxes	2,250	8	2,258	42	2,216
Legal Services and Costs	5,000		5,000	5,000	
Special Counsel	75,873	7,239	83,112	41,922	41,190
Engineering Services and Costs:					
Miscellaneous Other Expenses	6,166	5,137	11,303	9,516	1,787
Public Buildings and Grounds	469	30,042	30,511	26,794	3,717
Planning Board	11,085	683	11,768	4,457	7,311
Board of Adjustment	396	1,730	2,126	1,793	333
Zoning Officer	10		10		10
Shade Tree Commission	1,980	3,530	5,510	3,268	2,242
Environmental Program	2,922		2,922		2,922
Gypsy Moth Program	100		100		100
Fire:					
Fire Hydrant Service	12,756	11,336	24,092	22,672	1,420
Miscellaneous Other Expenses	8,538	8,575	17,113	9,094	8,019
Group Insurance	269,525	3,359	272,884	3,418	269,466
Other Insurance	68,890		68,890	44,886	24,004
Workman's Compensation Insurance	81		81		81
Uniform Fire Safety Act	3,196	50	3,246	80	3,166
Police	5,434	31,649	37,083	32,723	4,360
Tuition Reimbursement	24,752		24,752	24,407	345
First Aid	5,656	1,175	6,831	749	6,082
Demolition of Structures	1,000		1,000		1,000
Emergency Management Services	1,361	1,572	2,933	1,572	1,361
Road Repair and Maintenance	5,193	10,301	15,494	9,136	6,358
Municipal Court	3,763		3,763	3,763	
Maintaining of Borough Equipment	18,565	12,202	30,767	11,822	18,945
Street Lighting	34,109	807	34,916	28,418	6,498
Monmouth County					
Reclamation Fees	64,673	25,952	90,625	53,768	36,857
Recycling	26,976	1,865	28,841	2,135	26,706
Sanitation - Apartment Collection	2,600	20,617	23,217	20,617	2,600
Administration of Public Assistance	1,750		1,750		1,750
Relocation	1,500		1,500		1,500
Housing Inspection	374		374		374

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

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2014**

	<b>Balance Dec. 31, 2013</b>	<b>Reserve for Encumbrances</b>	<b>Balance After Transfers</b>	<b>Paid or Charged</b>	<b>Balance Lapsed</b>
<b>Other Expenses (continued):</b>					
Parks	\$3,616	\$5,387	\$9,003	\$3,253	\$5,750
Recreation	6,740	3,596	10,336	3,599	6,737
Public Events	913	280	1,193	280	913
Community Center	2,891	769	3,660	723	2,937
Youth Community	890	371	1,261	368	893
Tenant's Rights Committee	1,000		1,000		1,000
Senior Citizen's Programs	4,922	1,375	6,297	446	5,851
Inspection of Buildings	15,052	447	15,499	467	15,032
Fuel for Motor Vehicles	6,135	25,205	31,340	18,528	12,812
Business Advisory Committee	1,000		1,000	95	905
Employee Sick Time Buy - Back	50,248		50,248	14,248	36,000
Electricity	37,626	606	38,232	7,609	30,623
Telephone	23,401	2,052	25,453	3,997	21,456
Water	8,549	642	9,191	1,283	7,908
Natural Gas	23,674		23,674	9,371	14,303
Contingent	2,983	10	2,993		2,993
Social Security System (O.A.S.I.)	27,701		27,701		27,701
Defined Contribution					
Retirement Program	1,134		1,134		1,134
Aid to Privately Owned Library	3,260		3,260		3,260
Telephone	2,500		2,500	2,500	
9-1-1 Systems	500		500		500
State Recycling Tax	3,162	1,037	4,199	2,121	2,078
NJDEP/Storm Water Mgt.	6,700		6,700		6,700
Length of Service Award Program -					
Fire	39,000		39,000	39,000	
Length of Service Award Program -					
First Aid	18,000		18,000	8,150	9,850
Matching Funds for Grants	2,000		2,000		2,000
	<b><u>\$1,568,814</u></b>	<b><u>\$238,032</u></b>	<b><u>\$1,808,536</u></b>	<b><u>\$574,292</u></b>	<b><u>\$1,232,554</u></b>

**Ref.**      **A**      **A-12**      **A-4**      **A-1**

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

**CURRENT FUND**  
**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013:		
School Tax Payable	A	\$103,079
School Tax Deferred		<u>7,355,824</u>
		\$7,458,903
Increased by:		
Levy - School Year July 1, 2014 to June 30, 2015	A-6	<u>14,851,566</u>
		<u>22,310,469</u>
Decreased by:		
Payments	A-4	<u>14,758,223</u>
Balance, December 31, 2014:		
School Tax Payable	A	126,463
School Tax Deferred		<u>7,425,783</u>
		<u>\$7,552,246</u>
<b><u>2014 Liability for Local District School Tax:</u></b>		
Tax Paid	A-10	\$14,758,223
Taxes Payable, December 31, 2014	A-10	<u>126,463</u>
		\$14,884,686
Less: Taxes Payable, December 31, 2013	A-10	<u>103,079</u>
Amount Charged to 2014 Operations	A-1	<u>\$14,781,607</u>

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

**CURRENT FUND**  
**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013:		
School Tax Payable	A	\$1
School Tax Deferred		<u>4,351,634</u>
		<u>\$4,351,635</u>
Increased by:		
Levy - School Year July 1, 2014 to June 30, 2015	A-6	<u>8,478,205</u>
		<u>12,829,840</u>
Decreased by:		
Payments	A-4	<u>8,590,737</u>
Balance, December 31, 2014:		
School Tax Payable	A	1
School Tax Deferred		<u>4,239,102</u>
		<u>\$4,239,103</u>
<b><u>2014 Liability for Regional High School Tax:</u></b>		
Tax Paid and Charged to 2014 Operations	A-11:A-1	<u>\$8,590,737</u>

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

**CURRENT FUND**  
**SCHEDULE OF RESERVE FOR ENCUMBRANCES**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$238,032
Increased by:		
Transferred from 2014 Appropriations	A-3	<u>255,796</u>
		<u>493,828</u>
Decreased by:		
Transfer to Appropriation Reserves	A-9	<u>238,032</u>
Balance, December 31, 2014	A	<u><u>\$255,796</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, 2014**

<b>Grant</b>	<b>Balance Dec. 31, 2013</b>	<b>2014 Anticipated Revenue</b>	<b>Cash Receipts</b>	<b>Balance Dec. 31, 2014</b>
Municipal Alliance on Alcoholism and Drug Abuse	\$5,118	\$26,186	\$17,795	\$13,509
Handicapped Recreation Opportunities Fund	15,000	20,000	35,000	
New Jersey Transportation Trust Fund	220,406	185,000	105,653	299,753
Clean Communities Program		22,581	22,581	
Safe and Secure Communities Program	45,000	60,000	60,000	45,000
Bulletproof Vest		4,724	4,724	
Open Space Monmouth County		180,000		180,000
Open Space Stewardship		750	500	250
No Net Loss Reforestation		210,600	18,900	191,700
Drunk Driving Enforcement Fund		3,924	3,924	
Cars - E Grant	481			481
	<b><u>\$286,005</u></b>	<b><u>\$713,765</u></b>	<b><u>\$269,077</u></b>	<b><u>\$730,693</u></b>

**Ref.****A****A-2****A-4****A**

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

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**Year Ended December 31, 2014**

<b>Grant</b>	<b>Balance Dec. 31, 2013</b>	<b>Transfer from 2014 Budget Appropriation</b>	<b>Transferred from Reserve for Encumbrances</b>	<b>Expended</b>	<b>Balance Dec. 31, 2014</b>
<b>Municipal Alcohol</b>					
Education/Rehabilitation Program	\$4,613				\$4,613
Drunk Driving Enforcement Fund	3,647	\$3,924	\$2,813	\$3,923	6,461
Comcast Technology	3,478		85,022	85,022	3,478
<b>New Jersey Transportation</b>					
Trust Fund	53,897	185,000		154,051	84,846
<b>Handicapped Person's Recreational Opportunities Fund</b>					
	4,068	24,000	4,348	29,284	3,132
<b>Clean Communities Program</b>					
		22,581		22,581	
Body Armor Fund	715			715	
Bulletproof Vest	3,575	4,724		7,646	653
<b>Safe and Secure Communities Program</b>					
	6,693	90,000		89,603	7,090
Open Space Monmouth County	30,000	180,000			210,000
<b>Municipal Alliance on Alcoholism and Drug Abuse</b>					
	6,803	32,732	206	31,753	7,988
Cars - E Grant	481				481
Sustainable Jersey Small Program	1,000			434	566
Open Space Stewardship		750			750
No Net Loss Reforestation		210,600		19,287	191,313
	<b><u>\$118,970</u></b>	<b><u>\$754,311</u></b>	<b><u>\$92,389</u></b>	<b><u>\$444,299</u></b>	<b><u>\$521,371</u></b>

**Ref.****A****A-3****A****A****Ref.**

Cash Disbursements

A-4

\$271,919

Reserve for Encumbrances

A

172,380

**\$444,299**

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

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**  
**Year Ended December 31, 2014**

<b>Grant</b>	<b>Balance</b> <b>Dec. 31, 2014</b> <b>and 2013</b>
Clean Communities	\$1
Body Armor Fund	1
Bulletproof Vest	1
	<b><u>\$3</u></b>

**Ref.**                    **A**

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

**TRUST FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other</u>
Balance, December 31, 2013	B	<u>\$26,509</u>	<u>\$3,784,535</u>
<b>Increased by Receipts:</b>			
Due from Current Fund		6,483	12,837
2014 Budget Appropriation	B-3	2,500	
Dog License Fees	B-3	4,112	
State Dog License Fees		669	
Prepaid Licenses		1,753	
Various Deposits	B-4	<u>15,517</u>	<u>1,375,150</u>
		<u>15,517</u>	<u>1,387,987</u>
<b>Decreased by Disbursements:</b>			
Due to Current Fund		14,814	5,666
State Dog License Fees		642	
Expenditures Under R.S. 4:19-15.11	B-3	5,111	
Various Deposits	B-4	<u>20,567</u>	<u>1,303,492</u>
		<u>20,567</u>	<u>1,309,158</u>
Balance, December 31, 2014	B	<u>\$21,459</u>	<u>\$3,863,364</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, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013	B	\$14,642
Increased by:		
2014 Budget Appropriation	B-2	\$2,500
Dog License Fees Collected in 2014	B-2	4,112
Prepaid Revenue Realized		<u>2,278</u>
		<u>8,890</u>
		<u>23,532</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash	B-2	5,111
Statutory Excess Due to Current Fund		<u>4,849</u>
		<u>9,960</u>
Balance, December 31, 2014	B	<u><u>\$13,572</u></u>

License Fees Collected:	<u>Year</u>	<u>Amount</u>
	2013	\$6,334
	2012	<u>7,238</u>
		<u><u>\$13,572</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, 2014**

<b>Purpose</b>	<b>Balance Dec. 31, 2013</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2014</b>
Developer's Escrow	\$1,756,870	\$314,333	\$503,142	\$1,568,061
Security Deposits	119,513	42		119,555
Law Enforcement	8,394	5,491	5,256	8,629
Unemployment	32,427	19,624	12,297	39,754
Agency	6,695	7,763	6,488	7,970
Municipal Alliance	3,475	2,200	2,011	3,664
Public Defender	19,816	3,310	14,500	8,626
Police Outside Employment	111,857	448,189	428,611	131,435
Recreation Contributions	18,081	16,948	25,906	9,123
Uniform Fire Safety Penalties	72,544	5,666	9,221	68,989
Premium on Tax Sale	199,750	225,800	229,250	196,300
POAA	4,609	728		5,337
Fire Contributions	4,931	2		4,933
Affordable Housing	1,208,199	233,784	11,946	1,430,037
Other Contributions	5,298	370		5,668
Accumulated Absences	145,000	10,000		155,000
Historical Museum Donations	4,916	100	404	4,612
Eatontown Economic Development Advisory Committee Donations	275			275
Recycling	74,722	80,800	54,460	101,062
	<b><u>\$3,797,372</u></b>	<b><u>\$1,375,150</u></b>	<b><u>\$1,303,492</u></b>	<b><u>\$3,869,030</u></b>

**Ref.**      **B**      **B-2**      **B-2**      **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, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013	B	\$374,021
Increased by:		
Borough Contributions	B-6	\$47,150
Change in Market Value	B-6	<u>24,340</u>
		<u>71,490</u>
		445,511
Decreased by:		
Distributions	B-6	18,927
Return of Non-Vested Funds	B-6	2,657
Administrative Charges	B-6	<u>1,978</u>
		<u>23,562</u>
Balance, December 31, 2014	B	<u><u>\$421,949</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, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013	B	\$374,021
Increased by:		
Borough Contributions	B-5	\$47,150
Change in Market Value	B-5	<u>24,340</u>
		<u>71,490</u>
		445,511
Decreased by:		
Distributions	B-5	18,927
Return of Non-Vested Funds	B-5	2,657
Administrative Charges	B-5	<u>1,978</u>
		<u>23,562</u>
Balance, December 31, 2014	B	<u><u>\$421,949</u></u>

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

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013	C	\$2,818,368
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund	C-4	\$95,000
Due to Current Fund		455
Premium on Serial Bonds Issued:		
Fund Balance	C-1	9,390
Deferred Charges to Future Taxation - Unfunded		445,599
Serial Bonds Issued	C-6	3,775,000
Bond Anticipation Notes	C-7	<u>2,949,954</u>
		<u>7,275,398</u>
		<u>10,093,766</u>
Decreased by Disbursements:		
Bond Anticipation Notes	C-7	2,949,954
Due from Current Fund		36
Capital Surplus to Current Fund	C-1	1,437
Improvement Authorizations	C-5	<u>1,335,754</u>
		<u>4,287,181</u>
Balance, December 31, 2014	C	<u>\$5,806,585</u>

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

**GENERAL CAPITAL FUND**  
**ANALYSIS OF GENERAL CAPITAL FUND CASH**  
**December 31, 2014**

	<b><u>Balance</u></b>
	<b><u>Dec. 31, 2014</u></b>
Capital Improvement Fund	\$36,547
Due to Current Fund	455
Fund Balance	9,390
Cash on Hand to Pay Bond Anticipation Notes	2,949,954
Reserve for Encumbrances	891,037

**Improvement Authorizations:**

Ordinance Number	Improvement Description	
11-2002	Various Capital Improvements	1,206
13-2003	Wall Street Sidewalks	3,500
20-2004	Various Improvements	58,772
11-2005	Various Capital Improvements	214,967
26-2006	Various Improvements	194,891
19-2007	Various Improvements	282,946
15-2008	Various Improvements	195,250
07-2009	Various Improvements	134,341
15-2010	Various General Improvements	134,544
07-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	220,116
17-2012	Various Improvements	159,303
23-2012	Acquisition of a Fire Truck	14,382
10-2013	Various Improvements	109,726
07-2014	Various Capital Improvements and the Acquisition of Various Capital Equipment	<u>195,258</u> <u>\$5,806,585</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, 2014**

	<u>Ref.</u>
Balance, December 31, 2013	C                    \$8,423
Increased by:	
2014 Budget Appropriation	C-2                95,000 103,423
Decreased by:	
Appropriated to Finance Improvement Authorizations	C-5                66,876
Balance, December 31, 2014	C <u>\$36,547</u>

**BOROUGH OF EATONTOWN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2014**

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2013			2014 Authorizations	Paid or Charged	Balance Dec. 31, 2014 Funded
			Funded	Unfunded	Encumbered			
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	58,772					58,772
11-2005	Various Capital Improvements	1,650,000	215,794				\$827	214,967
26-2006	Various Improvements	780,000	223,056		\$26,855		55,020	194,891
19-2007	Various Improvements	1,461,300	285,185		7,501		9,740	282,946
15-2008	Various Improvements	1,075,500	196,032		20,662		21,444	195,250
07-2009	Various Improvements	1,399,200	125,996		8,345			134,341
15-2010	Various General Improvements	1,351,666	134,544					134,544
07-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	1,357,600	220,179		13,083		13,146	220,116
17-2012	Various Improvements	1,103,000		\$158,227	153,955		152,879	159,303
23-2012	Acquisition of a Fire Truck	850,000		14,382				14,382
10-2013	Various Improvements	1,152,215		209,151	732,048		831,473	109,726
07-2014	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,337,520				\$1,337.520	1.142.262	195.258
			<u>\$1,464,264</u>	<u>\$381,760</u>	<u>\$962,449</u>	<u>\$1,337.520</u>	<u>\$2,226,791</u>	<u>\$1,919,202</u>

<u>Ref.</u>	<u>C</u>	<u>C</u>
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Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund

<u>Ref.</u>	<u>\$1,270,644</u>	<u>66,876</u>
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<u>C-4</u>	<u>66,876</u>	<u>\$1,337,520</u>
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Cash Disbursements  
Reserve for Encumbrances

<u>Ref.</u>	<u>\$1,335,754</u>	<u>891,037</u>
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<u>C-2</u>	<u>891,037</u>	<u>\$2,226,791</u>
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BOROUGH OF EATONTOWN  
COUNTY OF MONMOUTH  
STATE OF NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Dec. 31, 2014	Date	Amount					
General Improvement	12/4/02	\$1,553,000	12/1/15	\$4,000	5.00%		\$11,000			\$11,000
			12/1/16	3,000	5.00%					
			12/1/17	2,000	5.00%					
			12/1/18	1,000	5.00%					
			12/1/19	1,000	5.00%					
General Improvement	12/29/05	1,327,000	12/1/15	128,000	5.00%		524,000			\$121,000
			12/1/16	134,000	5.00%					403,000
			12/1/17	141,000	4.00%					
General Improvement	12/4/08	4,549,000	12/1/15	219,000	5.00%		3,620,000			208,000
			12/1/16	230,000	4.00%					3,412,000
			12/1/17	239,000	4.00%					
			12/1/18	248,000	5.25%					
			12/1/19	262,000	4.50%					
			12/1/20	273,000	4.50%					
			12/1/21	286,000	5.00%					
			12/1/22	300,000	5.25%					
			12/1/23	316,000	5.00%					
			12/1/24	331,000	5.125%					
			12/1/25	348,000	5.125%					
			12/1/26	360,000	5.00%					

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

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount	Dec. 31, 2014					
General Improvement	12/29/11	\$4,150,000	12/1/15	\$380,000	5.00%	\$3,445,000				\$365,000
			12/1/16	395,000	5.00%					
			12/1/17	415,000	5.00%					
			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	12/1/15	95,000	4.00%	780,000				255,000
			12/1/16	100,000	4.00%					525,000
			12/1/17	105,000	4.00%					
			12/1/18	110,000	4.00%					
			12/1/19	115,000	4.00%					
General Improvement	12/9/14	3,775,000	12/1/15	360,000	3.00%	\$3,775,000				3,775,000
			12/1/16	370,000	3.00%					
			12/1/17	380,000	4.00%					
			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%					

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

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**  
**Year Ended December 31, 2014**

<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, 2013</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2014</b>
17-2012	Various Improvements	12/13/12	12/12/13	12/11/14	1.50%	\$1,047,850			\$1,047,850
23-2012	Acquisition of a Fire Truck	8/14/13	8/14/13	8/13/14	1.50%	807,500			807,500
10-2013	Various Improvements	8/14/13	8/14/13	8/13/14	1.50%	1,094,604			1,094,604
17-2012	Various Improvements	12/13/12	11/14/14	1/27/15	1.00%		\$1,047,850		\$1,047,850
23-2012	Acquisition of a Fire Truck	8/14/13	8/13/14	1/27/15	0.95%		807,500		807,500
10-2013	Various Improvements	8/14/13	8/13/14	1/27/15	0.95%		1,094,604		1,094,604
						<b><u>\$2,949,954</u></b>	<b><u>\$2,949,954</u></b>	<b><u>\$2,949,954</u></b>	<b><u>\$2,949,954</u></b>

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, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013	C	\$920,200
Decreased by:		
Paid by Budget Appropriation		<u>325,100</u>
Balance, December 31, 2014	C	<u><u>\$595,100</u></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, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013	C	\$8,430,592
Increased by:		
Serial Bonds Issued	C-6	<u>3,775,000</u>
		<u>12,205,592</u>
Decreased by:		
Budget Appropriation to Pay General Serial Bonds	C-6	\$949,000
Budget Appropriation to Pay Green Trust Loans	C-10	<u>50,592</u>
		<u>999,592</u>
Balance, December 31, 2014	C	<u><u>\$11,206,000</u></u>

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

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN TRUST LOANS PAYABLE**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance, December 31, 2013	C	\$50,592
Decreased by:		
Budget Appropriation to Pay Green Trust Loans	C-9	<u>50,592</u>
Balance, December 31, 2014	C	<u>\$0</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, 2014**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Serial Bonds Issued</u>	<u>Balance Dec. 31, 2014</u>
General Improvements:					
07-2014	Various Capital Improvements and the Acquisition of Various Capital Equipment	\$0	\$1,270,644	\$1,270,644	\$0

Ref. (Footnote C)

(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, 2014**

	<b>Balance</b> <b>Dec. 31, 2013</b>	<b>Additions</b>	<b>Dispositions</b>	<b>Balance</b> <b>Dec. 31, 2014</b>
General Fixed Assets:				
Land, Buildings and Improvements	\$11,249,135	\$15,251		\$11,264,386
Machinery and Equipment	11,440,991	253,300	\$430,467	11,263,824
	<b><u>\$22,690,126</u></b>	<b><u>\$268,551</u></b>	<b><u>\$430,467</u></b>	<b><u>\$22,528,210</u></b>
<b>Ref.</b>	D			D

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

**PART III**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2014**

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

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2014**

**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:

Replacement of the Roof at the Department of Public Works Building  
2014 Capital Improvement Program  
Police Uniforms  
Automated Side 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, 2014 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 2014 be and the same is hereby fixed at eight (8) per centum 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 3, 2014 and was complete.

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

2014	17
2013	10
2012	10

## SUMMARY OF MUNICIPAL DEBT

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>Issued</u></b>			
General bonds and notes	\$14,155,954	\$11,380,546	\$10,445,037
Less:			
Funds on hand to pay bonds and notes	<u>2,949,954</u>	<u>-</u>	<u>288,500</u>
Net debt issued	11,206,000	11,380,546	10,156,537
<b><u>Authorized but not Issued</u></b>			
General bonds and notes	<u>-</u>	<u>-</u>	<u>807,500</u>
Net bonds and notes issued and authorized but not issued	<u>\$11,206,000</u>	<u>\$11,380,546</u>	<u>\$10,964,037</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 0.547%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School	\$23,150,000	\$23,150,000	-
Regional School	2,266,966	2,266,966	-
General Debt	<u>17,348,958</u>	<u>6,142,958</u>	<u>\$11,206,000</u>
	<u>\$42,765,924</u>	<u>\$31,559,924</u>	<u>\$11,206,000</u>

Net Debt \$11,206,000 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$2,049,197,113 equals 0.547%.

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

3½% of Equalized Valuation Basis	\$71,721,899
Net Debt	<u>11,206,000</u>
Remaining Borrowing Power	<u>\$60,515,899</u>

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

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Municipal	\$ .789	\$ .761	\$ .706
Local School	.736	.724	.697
Regional School	.420	.429	.391
County	.311	.311	.302
Total tax rate	<b><u>\$2.256</u></b>	<b><u>\$2.225</u></b>	<b><u>\$2.096</u></b>

**ASSESSED VALUATIONS**

2014	\$2,018,248,527
2013	2,030,878,034
2012	2,086,000,009

**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.

<b>Year</b>	<b>CURRENTLY</b>		
	<b>Tax Levy</b>	<b>Cash Collections</b>	<b>Percentage of Collections</b>
2014	\$45,610,277	\$44,577,984	97.74%
2013	45,363,405	44,095,089	97.20%
2012	43,777,654	42,396,400	96.84%

**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.

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Tax title liens	\$94,268	\$80,902	\$74,970
Delinquent taxes	<b><u>439,293</u></b>	<b><u>309,762</u></b>	<b><u>544,084</u></b>
Total delinquent	<b><u>\$533,561</u></b>	<b><u>\$390,664</u></b>	<b><u>\$619,054</u></b>
% of tax levy	1.17%	0.86%	1.41%

### **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>
2014	\$201,300
2013	201,300
2012	201,300

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

<b>Year</b>	<b>Current Fund Balance</b>	<b>Utilized in Succeeding Budget</b>
2014	\$3,008,797	\$2,550,000
2013	3,056,564	2,550,000
2012	3,611,767	2,900,000

## **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>
Gerald J. Tarantolo	Mayor
Dennis J. Connelly	Councilman
Mark W. Regan	Councilman
Anthony Talerico, Jr.	Councilman
Janice Kroposky	Councilwoman
Richard J. Robinson	Councilman
Kevin L. Gonzalez	Councilman
George Jackson	Administrator
John Gillooly	Tax Assessor
Karen Siano	Clerk and Assessment Searcher
Patricia De Ponti	Tax Collector and Tax Searcher
Lesley Connolly	Chief Financial Officer and Treasurer
Richard Thompson	Magistrate
Valerie Sapienza	Deputy Clerk (1/1/14-10/31/14)
Corrinne DiCoccia	Deputy Clerk (11/1/14-12/31/14)

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, 2014**

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2014**

**Other Internal Control and Compliance Matters**

**#2014-1**

**Comment**

We noted that the fixed assets inventory records were not maintained on a current and timely basis.

**Recommendation**

We recommend that fixed assets inventory records be maintained on a current and timely basis.

**#2014-2**

**Comment**

We noted that the reserve for expenditures account in the payroll fund was not analyzed on a current and timely basis.

**Recommendation**

We recommend that the reserve for expenditures account in the payroll fund be analyzed on a current and timely basis.

**#2014-3**

**Comment**

We noted that there were interfund balances at year-end.

**Recommendation**

We recommend that, where practicable, interfund balances be liquidated prior to year-end.