

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

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
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

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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.

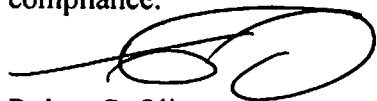
Other Matters

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

**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> |
|--|-------------|--------------------|--------------------|
| <u>Assets</u> | | | |
| 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 | <u>730,693</u> | <u>286,005</u> |
| | | <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> |
|---|-------------|-------------------|-------------------|
| <u>Revenue and Other Income Realized</u> | | | |
| 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> |
| <u>Expenditures</u> | | | |
| 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 December 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> |
| | | 5,558,797 | 5,956,564 |
| 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><u>\$3,008,797</u></u> | <u><u>\$3,056,564</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

| | <u>Ref.</u> | <u>Anticipated</u> | | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|--|-------------|--------------------|------------------------------------|-----------------|--------------------------------|
| | | <u>Budget</u> | <u>Special N.J.S. 40A:4-87</u> | | |
| Fund Balance Anticipated | A-1 | \$2,550,000 | | \$2,550,000 | |
| Miscellaneous Revenues: | | | | | |
| 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

| | <u>Ref.</u> | <u>Anticipated</u> | | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|--|-------------|---------------------|------------------------------------|---------------------|--------------------------------|
| | | <u>Budget</u> | <u>Special N.J.S. 40A:4-87</u> | | |
| Miscellaneous Revenues (continued): | | | | | |
| Cooperative Housing Inspection Grant | A-8 | \$3,500 | | \$10,989 | \$7,489 |
| Senior Citizens Housing (In Lieu of Taxes) | A-8 | 197,170 | | 204,003 | 6,833 |
| Borough Community Center Programs | A-8 | 267,600 | | 301,951 | 34,351 |
| Uniform Fire Safety Act | A-8 | 75,000 | | 73,116 | (1,884) |
| General Capital Fund Surplus | A-8 | 1,437 | | 1,437 | |
| Hotel Tax | A-8 | 340,100 | | 260,486 | (79,614) |
| Cell Tower Agreements | A-8 | 289,300 | | 262,659 | (26,641) |
| CATV Franchise Fees | 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> |
| Receipts from Delinquent Taxes | A-1:A-2 | <u>302,000</u> | | <u>241,915</u> | <u>(60,085)</u> |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | | |
| Local Tax for Municipal Purposes | A-2:A-6 | <u>15,917,722</u> | | <u>16,775,157</u> | <u>857,435</u> |
| Budget Totals | | <u>23,359,006</u> | <u>270,948</u> | <u>24,488,975</u> | <u>\$859,021</u> |
| Non-Budget Revenues | A-2 | | | <u>511,677</u> | |
| | <u>Ref.</u> | <u>\$23,359,006</u> | <u>\$270,948</u> | <u>\$25,000,652</u> | |
| | A-3 | | A-3 | | |

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.

Analysis of Realized Revenues

Allocation of Current Tax Collections:

| | | |
|--|---------|----------------------------|
| Revenue from Collections | A-1:A-6 | \$44,577,984 |
| 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> |

Receipts from Delinquent Taxes

| | | |
|----------------------------|---------|-------------------------|
| 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 |
| | <u>\$511,677</u> |

Ref. A-1:A-2:A-4

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>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|--|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Within "CAPS"</u> | | | | | |
| 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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|--|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Within "CAPS"</u> | | | | | |
| 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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|--|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Within "CAPS"</u> | | | | | |
| 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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|--|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Within "CAPS"</u> | | | | | |
| 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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|---|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Within "CAPS"</u> | | | | | |
| 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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|---|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Within "CAPS"</u> | | | | | |
| 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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|--|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Within "CAPS"</u> | | | | | |
| 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>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|--|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Within "CAPS"</u> | | | | | |
| 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

| | APPROPRIATIONS | | EXPENDED | | Unexpended Balance Canceled |
|--|----------------|------------------------------|--------------------|-----------|-----------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | |
| <u>Operations Within "CAPS"</u> | | | | | |
| 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" | 16,907,651 | 17,122,378 | 15,832,974 | 1,289,404 | |
| Contingent | 4,000 | 4,000 | 966 | 3,034 | |
| Total Operations Including Contingent within "CAPS" | 16,911,651 | 17,126,378 | 15,833,940 | 1,292,438 | |
| Detail: | | | | | |
| Salaries and Wages | 9,194,682 | 9,248,812 | 9,069,983 | 178,829 | |
| Other Expenses (Including Contingent) | 7,716,969 | 7,877,566 | 6,763,957 | 1,113,609 | |

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>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|---|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <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
STATE OF NEW JERSEY

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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|---|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Excluded from "CAPS"</u> | | | | | |
| 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 | 18,000 | 18,000 | | 18,000 | |
| 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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|--|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Excluded from "CAPS"</u> | | | | | |
| 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 | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | | |
| Total Shared Service Agreements | <u>104,000</u> | <u>104,000</u> | <u>104,000</u> | | |
| Public and Private Programs Offset by Revenues: | | | | | |
| 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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|--|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Operations Excluded from "CAPS"</u> | | | | | |
| 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 | 296,590 | 572,811 | 572,811 | | |
| Total Operations Excluded from "CAPS" | 702,674 | 978,895 | 901,199 | \$77,696 | |
| Detail: | | | | | |
| Salaries and Wages | 73,800 | 73,800 | 68,178 | 5,622 | |
| Other Expenses | 628,874 | 905,095 | 833,021 | 72,074 | |

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>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended</u> |
|---|------------------------------|--|--|------------------------|---|
| | <u>Budget</u> | <u>Budget After</u> <u>Modification</u> | <u>Paid or</u> <u>Charged</u> | <u>Reserved</u> | <u>Balance</u> <u>Canceled</u> |
| <u>Capital Improvements Excluded from "CAPS"</u> | | | | | |
| 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> | | |
| <u>Municipal Debt Service Excluded from "CAPS"</u> | | | | | |
| 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

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | <u>Unexpended Balance Canceled</u> |
|--|------------------------------|---|-----------------------------------|------------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>Deferred Charges Excluded from "CAPS"</u> | | | | | |
| 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 | 21,544,826 | 22,035,774 | 20,627,030 | 1,400,347 | 8,397 |
| Reserve for Uncollected Taxes | <u>1,814,180</u> | <u>1,814,180</u> | <u>1,814,180</u> | | |
| Total General Appropriations | <u>\$23,359,006</u> | <u>\$23,849,954</u> | <u>\$22,441,210</u> | <u>\$1,400,347</u> | <u>\$8,397</u> |
| <u>Ref.</u> | A-2 | | A-1 | A:A-1 | |
| Budget | A-3 | \$23,359,006 | | | |
| Appropriation by 40A:4-87 | A-2 | 270,948 | | | |
| Emergency Appropriation 40A:4-53 | | 220,000 | | | |
| | | <u>\$23,849,954</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) | | 30,660 |
| | | <u>\$22,441,210</u> |

See Accompanying Notes

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> |
|--|-------------|--------------------|--------------------|
| <u>Assets</u> | | | |
| 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 | 3,863,364 | 3,784,535 |
| 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> |

See Accompanying Notes

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> |
|--|--------------------|--------------------|--------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| 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>\$4,312,438</u> | <u>\$4,197,902</u> |

See Accompanying Notes

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 | | <u> </u> | <u>63</u> |
| Balance, December 31 | | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

See Accompanying Notes

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> |
|--|--------------------|----------------------------|----------------------------|
| <u>Assets</u> | | | |
| 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 |
| | | <u>\$17,607,685</u> | <u>\$15,119,115</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| 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 |
| | | <u>\$17,607,685</u> | <u>\$15,119,115</u> |

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 | <u>1,437</u> | <u>10,852</u> |
| Balance, December 31 | C | <u><u>\$9,390</u></u> | <u><u>\$1,437</u></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> |
|--|--------------------|----------------------------|----------------------------|
| <u>Assets</u> | | | |
| 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> |
| <u>Liabilities and Reserves</u> | | | |
| 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> |
|---------------------------|------------------|-----------------|
| <u>Assets</u> | | |
| Cash and Cash Equivalents | <u>\$133,084</u> | <u>\$21,592</u> |
| <u>Reserves</u> | | |
| Reserve for Expenditures | \$20,959 | \$21,592 |
| Due to Current Fund | <u>112,125</u> | <u></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 | <u>9,770,310</u> | <u>5,826,472</u> |
| | <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 Dec. 31, 2013 | Additions | Deductions | Balance Dec. 31, 2014 |
|-----------------------|-----------------------|--------------------|------------------|-----------------------|
| 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 Dec. 31, 2012 | Additions | Deductions | Balance Dec. 31, 2013 |
| 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:

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance Dec. 31, 2014</u> |
|---|--------------------------|-----------------------------|--------------------------|----------------------------------|
| 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> |
| <u>Purpose</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance Dec. 31, 2013</u> |
| 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:

| | <u>Balance Dec. 31, 2013</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance Dec. 31, 2014</u> |
|---|----------------------------------|--------------------|--------------------|----------------------------------|
| 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> |
| | <u>Balance Dec. 31, 2012</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance Dec. 31, 2013</u> |
| 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:

| | | |
|---------------|-----------------------------|-------------|
| | <u>Balance December 31,</u> | |
| | <u>2014</u> | <u>2013</u> |
| 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:

| | <u>Local District School Tax</u> | | <u>Regional High School Tax</u> | |
|----------------|--------------------------------------|------------------|-------------------------------------|-------------|
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Balance of Tax | \$7,552,246 | \$7,458,903 | \$4,239,103 | \$4,351,635 |
| Deferred | 7,425,783 | 7,355,824 | 4,239,102 | 4,351,634 |
| 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 | <u>11,440,991</u> | <u>253,300</u> | <u>\$430,467</u> | <u>11,263,824</u> |
| | <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 | <u>10,155,193</u> | <u>1,930,007</u> | <u>\$644,209</u> | <u>11,440,991</u> |
| | <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 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>\$595,100</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>\$595,100</u> | <u>\$48,945</u> | <u>\$644,045</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 <u>Appropriation</u> | Balance to Succeeding <u>Budgets</u> |
|--|-----------------------------|--|--|
| 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 <u>Appropriation</u> | Balance to Succeeding <u>Budget</u> |
|--|-----------------------------|--|---|
| 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 |
|------------------------------|----------------------|----------------------|
| <u>Receivables</u> | | |
| Current Fund | \$154,368 | \$83,010 |
| Other Trust Fund | 5,666 | 12,837 |
| | <u>\$160,034</u> | <u>\$95,847</u> |
| <u>Payables</u> | | |
| 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 |
| | <u>\$160,034</u> | <u>\$95,847</u> |

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

| | | | |
|---------------------------------------|------------------|--------------|---------------------------|
| Balance, December 31, 2013 | <u>Ref.</u> A | | \$5,684,343 |
| 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 | | 14,033 | |
| | | | <u>50,510,089</u> |
| | | | 56,194,432 |
| 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 | | 2,085 | |
| | | | <u>50,509,445</u> |
| Balance, December 31, 2014 | A | | <u><u>\$5,684,987</u></u> |

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

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

| | <u>Ref.</u> | | |
|-------------------------------------|--------------------|-----------------------------|----------------------------|
| 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 | | 10,229 | |
| | | <u> </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

| <u>Year</u> | <u>Balance Dec. 31, 2013</u> | <u>2014 Levy</u> | <u>Collection by Cash</u> | | <u>Senior Citizens and Veterans Deductions</u> | <u>Canceled and Adjustments</u> | <u>Overpayments Applied</u> | <u>Transferred to Tax Title Liens</u> | <u>Balance Dec. 31, 2014</u> |
|--------------------|----------------------------------|---------------------|---------------------------|---------------------|--|-------------------------------------|---------------------------------|---|----------------------------------|
| | | | <u>2013</u> | <u>2014</u> | | | | | |
| Prior | \$62,667 | | | \$12,777 | | \$2,712 | | | \$47,178 |
| 2013 | 247,095 | | | 229,138 | | 11,552 | | \$3,666 | 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> |
| <u>Ref.</u> | 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>\$45,610,277</u> |

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

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

| | <u>Ref.</u> | |
|---------------------------------|--------------------|------------------------|
| 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> | A | | | A |
| 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

| | <u>Balance</u> <u>Dec. 31, 2013</u> | <u>Reserve</u> <u>for</u> <u>Encumbrances</u> | <u>Balance</u> <u>After</u> <u>Transfers</u> | <u>Paid or</u> <u>Charged</u> | <u>Balance</u> <u>Lapsed</u> |
|--------------------------------|--|--|---|--|---|
| Salaries and Wages: | | | | | |
| 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 |
| Other Expenses: | | | | | |
| 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

| | <u>Balance</u> <u>Dec. 31, 2013</u> | <u>Reserve</u> <u>for</u> <u>Encumbrances</u> | <u>Balance</u> <u>After</u> <u>Transfers</u> | <u>Paid or</u> <u>Charged</u> | <u>Balance</u> <u>Lapsed</u> |
|-------------------------------------|--|--|---|--|---|
| 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

| | <u>Balance</u> <u>Dec. 31, 2013</u> | <u>Reserve</u> <u>for</u> <u>Encumbrances</u> | <u>Balance</u> <u>After</u> <u>Transfers</u> | <u>Paid or</u> <u>Charged</u> | <u>Balance</u> <u>Lapsed</u> |
|--|--|--|---|--|---|
| Other Expenses (continued): | | | | | |
| 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 |
| | <u>\$1,568,814</u> | <u>\$238,032</u> | <u>\$1,808,536</u> | <u>\$574,292</u> | <u>\$1,232,554</u> |
| <u>Ref.</u> | 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> |
| | | | 22,310,469 |
| 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><u>\$7,552,246</u></u> |
| <u>2014 Liability for Local District School Tax:</u> | | | |
| 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><u>\$14,781,607</u></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> | |
| | | | \$4,351,635 |
| Increased by: | | | |
| Levy - School Year July 1, 2014 to June 30, 2015 | A-6 | <u>8,478,205</u> | |
| | | | 12,829,840 |
| 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><u>\$4,239,103</u></u> |
| <u>2014 Liability for Regional High School Tax:</u> | | | |
| Tax Paid and Charged to 2014 Operations | A-11:A-1 | <u><u>\$8,590,737</u></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> |
| | | 493,828 |
| 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

| <u>Grant</u> | <u>Balance Dec. 31, 2013</u> | <u>2014 Anticipated Revenue</u> | <u>Cash Receipts</u> | <u>Balance Dec. 31, 2014</u> |
|--|---|--|---------------------------------|---|
| 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 |
| | <u>\$286,005</u> | <u>\$713,765</u> | <u>\$269,077</u> | <u>\$730,693</u> |
| <u>Ref.</u> | 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

| Grant | Balance Dec. 31, 2013 | Transfer from 2014 Budget Appropriation | Transferred from Reserve for Encumbrances | Expended | Balance Dec. 31, 2014 |
|-----------------------------------|----------------------------------|--|--|------------------|----------------------------------|
| Municipal Alcohol | | | | | |
| 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 |
| New Jersey Transportation | | | | | |
| Trust Fund | 53,897 | 185,000 | | 154,051 | 84,846 |
| Handicapped Person's Recreational | | | | | |
| Opportunities Fund | 4,068 | 24,000 | 4,348 | 29,284 | 3,132 |
| Clean Communities Program | | 22,581 | | 22,581 | |
| Body Armor Fund | 715 | | | 715 | |
| Bulletproof Vest | 3,575 | 4,724 | | 7,646 | 653 |
| Safe and Secure Communities | | | | | |
| Program | 6,693 | 90,000 | | 89,603 | 7,090 |
| Open Space Monmouth County | 30,000 | 180,000 | | | 210,000 |
| Municipal Alliance on Alcoholism | | | | | |
| and Drug Abuse | 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 |
| | <u>\$118,970</u> | <u>\$754,311</u> | <u>\$92,389</u> | <u>\$444,299</u> | <u>\$521,371</u> |

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

| <u>Grant</u> | <u>Balance Dec. 31, 2014 and 2013</u> |
|--------------------|---|
| Clean Communities | \$1 |
| Body Armor Fund | 1 |
| Bulletproof Vest | 1 |
| | <u>\$3</u> |
| | <u><u>\$3</u></u> |
| <u>Ref.</u> | 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> |
| Increased by Receipts: | | | |
| 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 | | 1,375,150 |
| | | <u>15,517</u> | <u>1,387,987</u> |
| Decreased by Disbursements: | | | |
| 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 | | 1,303,492 |
| | | <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 | | 2,278 | |
| | | <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 | | 4,849 | |
| | | <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 | 7,238 |
| | | <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

| Purpose | Balance Dec. 31, 2013 | Increased | Decreased | Balance Dec. 31, 2014 |
|---|----------------------------------|--------------------|--------------------|----------------------------------|
| 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 |
| | <u>\$3,797,372</u> | <u>\$1,375,150</u> | <u>\$1,303,492</u> | <u>\$3,869,030</u> |
| <u>Ref.</u> | 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 | 2,949,954 | |
| | | <u>7,275,398</u> | |
| | | | 10,093,766 |
| 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 | 1,335,754 | |
| | | <u>4,287,181</u> | |
| Balance, December 31, 2014 | C | | <u><u>\$5,806,585</u></u> |

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

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

| | <u>Balance</u> <u>Dec. 31, 2014</u> |
|---|--|
| 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:

| <u>Ordinance</u> <u>Number</u> | <u>Improvement Description</u> | |
|---|---|---------------------------|
| 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 | 195,258 |
| | | <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 | <u>95,000</u> |
| | | 103,423 |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | C-5 | <u>66,876</u> |
| Balance, December 31, 2014 | C | <u><u>\$36,547</u></u> |

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 Dec. 31, 2014 | | Interest Rate | Balance Dec. 31, 2013 | Increased | Decreased | Balance 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 | 403,000 |
| | | | 12/1/16 | 134,000 | 5.00% | | | | |
| | | | 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 | 3,412,000 |
| | | | 12/1/16 | 230,000 | 4.00% | | | | |
| | | | 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 Dec. 31, 2014 | | Interest Rate | Balance Dec. 31, 2013 | Increased | Decreased | Balance Dec. 31, 2014 |
|---------------------|---------------|----------------|---|-----------|--------------------|-----------------------|------------------|---------------------|-----------------------|
| | | | Date | Amount | | | | | |
| General Improvement | 12/29/11 | \$4,150,000 | 12/1/15 | \$380,000 | 5.00% | \$3,445,000 | | \$365,000 | \$3,080,000 |
| | | | 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 | 525,000 |
| | | | 12/1/16 | 100,000 | 4.00% | | | | |
| | | | 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% | | | | |
| | | | | | <u>\$8,380,000</u> | <u>\$3,775,000</u> | <u>\$949,000</u> | <u>\$11,206,000</u> | |
| Ref. | | | | | C | C-2,C-9 | C-9 | C | |

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

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

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Date of Issue of Original Note</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance Dec. 31, 2013</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance Dec. 31, 2014</u> |
|------------------------------------|---------------------------------------|--|---------------------------------|------------------------------------|---------------------------------|---|-------------------------|-------------------------|---|
| 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 |
| | | | | | | <u>\$2,949,954</u> | <u>\$2,949,954</u> | <u>\$2,949,954</u> | <u>\$2,949,954</u> |
| | | | | | <u>Ref.</u> | 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> 12,205,592 |
| 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><u>\$0</u></u> |

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 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 | | \$1,270,644 | \$1,270,644 | |
| | | <u>\$0</u> | <u>\$1,270,644</u> | <u>\$1,270,644</u> | <u>\$0</u> |
| | <u>Ref.</u> (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

| | <u>Balance</u> <u>Dec. 31, 2013</u> | <u>Additions</u> | <u>Dispositions</u> | <u>Balance</u> <u>Dec. 31, 2014</u> |
|----------------------------------|--|-------------------------|----------------------------|--|
| General Fixed Assets: | | | | |
| Land, Buildings and Improvements | \$11,249,135 | \$15,251 | | \$11,264,386 |
| Machinery and Equipment | <u>11,440,991</u> | <u>253,300</u> | <u>\$430,467</u> | <u>11,263,824</u> |
| | <u><u>\$22,690,126</u></u> | <u><u>\$268,551</u></u> | <u><u>\$430,467</u></u> | <u><u>\$22,528,210</u></u> |
| <u>Ref.</u> | 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> |
|--|---------------------|---------------------|---------------------|
| <u>Issued</u> | | | |
| 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 |
| <u>Authorized but not Issued</u> | | | |
| 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

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

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.

| <u>Year</u> | <u>Tax Levy</u> | <u>CURRENTLY</u> | |
|-------------|-----------------|-------------------------|----------------------------------|
| | | <u>Cash Collections</u> | <u>Percentage of Collections</u> |
| 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.

| | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|------------------|------------------|------------------|------------------|
| Tax title liens | \$94,268 | \$80,902 | \$74,970 |
| Delinquent taxes | <u>439,293</u> | <u>309,762</u> | <u>544,084</u> |
| Total delinquent | <u>\$533,561</u> | <u>\$390,664</u> | <u>\$619,054</u> |
| % 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:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2014 | \$201,300 |
| 2013 | 201,300 |
| 2012 | 201,300 |

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

| <u>Year</u> | <u>Current Fund Balance</u> | <u>Utilized in Succeeding Budget</u> |
|-------------|-------------------------------------|--|
| 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:

| <u>Name</u> | <u>Title</u> |
|-----------------------|---------------------------------------|
| 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 DiCorcia | 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.