

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2015

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2015

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COUNTY OF MONMOUTH
STATE OF NEW JERSEY

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Year Ended December 31, 2015

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COUNTY OF MONMOUTH
STATE OF NEW JERSEY

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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, 2015

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, 2015 and 2014, the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2015, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Auditor's Responsibility (Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2015 and 2014, or changes in its financial position for the years then ended.

Basis for Qualified Opinion on the General Fixed Assets Account Group

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

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on the General Fixed Assets Account Group paragraph, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the General Fixed Assets Account Group of the Borough as of December 31, 2015 and 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.

Basis for Qualified Opinion on the Trust Fund

The financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 9.58% and 9.78% of the assets, and liabilities, reserves and net assets of the Borough's Trust Fund as of December 31, 2015 and 2014, respectively.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on the Trust Fund paragraph, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the Trust Fund of the Borough as of December 31, 2015 and 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.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Current Fund and the General Capital Fund of the Borough as of December 31, 2015 and 2014, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis for the year ended December 31, 2015 and the statement of expenditures - regulatory basis for the year ended December 31, 2015 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

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

The supplementary schedules and comments section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the LOSAP Fund and General Fixed Assets Account Group supplementary schedules, the information is fairly stated, in all material respects in relation to the basic financial statements as a whole, based on the accounting principles and practices of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2016 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
November 30, 2016

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough") as of and for the year ended December 31, 2015, 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 November 30, 2016, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund and General Capital Fund as to conformity with the financial reporting provisions of the Division, a qualified opinion on the regulatory basis financial statements of the General Fixed Assets Account Group as to conformity with the financial reporting provisions of the Division, and a qualified opinion on the regulatory basis financial statements of the Trust Fund because the Length of Service Award Program Fund was not audited.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting (Continued)

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

Compliance and Other Matters

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

However, we noted certain other internal control and compliance matters that we have reported to 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
November 30, 2016

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash and Cash Equivalents:			
Cash - Treasurer	A-4	\$5,824,761	\$5,684,987
Change Funds		300	300
		<u>5,825,061</u>	<u>5,685,287</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	691,236	439,293
Tax Title Liens Receivable	A-7	103,664	94,268
Property Acquired for Taxes - Assessed Valuation		201,300	201,300
Revenue Accounts Receivable	A-8	53,002	57,860
Due from Animal Control Fund			4,849
Due from Payroll Fund		112,125	112,125
Due from General Capital Fund		131	455
Due from Federal and State Grant Fund		406,018	36,939
	A	<u>1,567,476</u>	<u>947,089</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-53)		176,000	220,000
		<u>7,568,537</u>	<u>6,852,376</u>
Federal and State Grant Fund:			
Grants Receivable	A-13	<u>880,396</u>	<u>730,693</u>
		<u>\$8,448,933</u>	<u>\$7,583,069</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3:A-9	\$1,427,975	\$1,400,347
Reserve for Encumbrances	A-12	187,985	255,796
Reserve for Tax Appeals		121,339	193,597
Reserve for Outside Liens		5,754	3,037
Reserve for FEMA		193,659	193,659
Reserve for Revaluation		94,000	220,000
Accounts Payable	A-9	3,741	
Due State - Uniform Construction Code Fees		6,611	9,807
Due State - Marriage Licenses		375	750
Due State - Elevator Inspection Fees		4,440	2,460
Local District School Tax Payable	A-10	150,229	126,463
Regional High School Tax Payable	A-11	1	1
Prepaid Taxes		339,000	295,477
Tax Overpayments		44,403	137,223
Due to Other Trust Fund		9,067	5,666
Due County for Added and Omitted Taxes		40,154	10,849
Due to State of New Jersey (PL 1971, Ch.20)		40,084	41,358
		<u>2,668,817</u>	<u>2,896,490</u>
Reserve for Receivables and Other Assets	A	1,567,476	947,089
Fund Balance	A-1	<u>3,332,244</u>	<u>3,008,797</u>
		<u>7,568,537</u>	<u>6,852,376</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-14	447,859	521,371
Due to Current Fund		406,018	36,939
Reserve for Encumbrances	A-14	26,516	172,380
Unappropriated Reserves	A-15	3	3
		<u>880,396</u>	<u>730,693</u>
		<u>\$8,448,933</u>	<u>\$7,583,069</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, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	A-2	\$2,550,000	\$2,550,000
Miscellaneous Revenue Anticipated	A-2	4,653,384	4,921,903
Receipts from Delinquent Taxes	A-2	387,753	241,915
Receipts from Current Taxes	A-2	46,058,657	44,577,984
Non-Budget Revenues	A-2	527,816	511,677
Unexpended Balance of Appropriation Reserves	A-9	1,170,324	1,232,554
Other Credits to Income:			
Statutory Excess in Animal Control Fund			4,849
Interfunds Returned		5,304	83,010
Total Revenue		<u>55,353,238</u>	<u>54,123,892</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	9,524,049	9,322,612
Other Expenses	A-3	8,536,283	8,782,661
Capital Improvements	A-3	126,100	280,000
Municipal Debt Service	A-3	2,075,068	1,816,303
Deferred Charges and Statutory Expenditures	A-3	1,942,957	1,825,801
County Taxes		6,454,248	6,287,236
Local District School Tax	A-10	14,964,579	14,781,607
Regional High School Tax	A-11	8,486,883	8,590,737
Refunds	A-4	414	334
Interfunds Advanced		369,210	154,368
Total Expenditures		<u>52,479,791</u>	<u>51,841,659</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended Decembers 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Excess in Revenue		\$2,873,447	\$2,282,233
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Years			220,000
Statutory Excess to Fund Balance		2,873,447	2,502,233
Fund Balance January 1	A	<u>3,008,797</u>	<u>3,056,564</u>
		5,882,244	5,558,797
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>2,550,000</u>	<u>2,550,000</u>
Fund Balance December 31	A	<u><u>\$3,332,244</u></u>	<u><u>\$3,008,797</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, 2015

	<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	37,688		38,188	\$500
Other Licenses	A-8	23,350		26,110	2,760
Fees and Permits	A-8	293,207		245,478	(47,729)
Municipal Court Fines and Costs	A-8	668,490		699,222	30,732
Interest and Costs on Taxes	A-8	77,427		78,604	1,177
Interest on Investments	A-8	4,241		2,903	(1,338)
Consolidated Municipal Property Tax Relief Act	A-8	48,090		48,090	
Energy Receipts Tax	A-8	1,416,525		1,416,525	
Uniform Construction Code Fees	A-8	420,789		636,604	215,815
Mechanical Garage - Eatontown Board of Education	A-8	4,000		5,348	1,348
Clean Communities Program	A-13		\$27,448	27,448	
Municipal Alliance on Alcoholism and Drug Abuse	A-13	26,186		26,186	
Safe and Secure Communities Program	A-13	60,000		60,000	
Handicapped Recreation Opportunities Grant	A-13		20,000	20,000	
Body Armor Fund	A-13	3,621		3,621	
Bulletproof Vest	A-13		3,615	3,615	
Drive Sober or Get Pulled Over	A-13		5,000	5,000	
Click It or Ticket	A-13		4,000	4,000	
State and Community Highway Safety	A-13		14,523	14,523	
CDBG - Monmouth County	A-13	161,786		161,786	
Drunk Driving Enforcement Fund	A-13		4,428	4,428	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2015

	<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		\$1,253	(\$2,247)
Senior Citizens Housing (In Lieu of Taxes)	A-8	204,003		208,641	4,638
Borough Community Center Programs	A-8	301,957		275,595	(26,362)
Uniform Fire Safety Act	A-8	73,116		55,602	(17,514)
Hotel Tax	A-8	260,486		235,906	(24,580)
Cell Tower Agreements	A-8	262,259		254,586	(7,673)
CATV Franchise Fees	A-8	97,622		94,122	(3,500)
	A-1	4,448,343	\$79,014	4,653,384	126,027
Receipts from Delinquent Taxes	A-1:A-2	339,915		387,753	47,838
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-6	16,505,167		17,728,557	1,223,390
Budget Totals		23,843,425	79,014	25,319,694	<u>\$1,397,255</u>
Non-Budget Revenues	A-2			527,816	
		<u>\$23,843,425</u>	<u>\$79,014</u>	<u>\$25,847,510</u>	
	<u>Ref.</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, 2015

Ref.

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	A-1:A-6	\$46,058,657
Allocated to School and County Taxes		<u>30,027,400</u>
Balance for Support of Municipal Budget Appropriations		16,031,257
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,697,300</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$17,728,557</u></u>

Receipts from Delinquent Taxes

Delinquent Tax Collections	A-2:A-6	<u><u>\$387,753</u></u>
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See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2015

Analysis of Non-Budget Revenues

Insurance Refund	\$198,255
Recycling	94,599
Recreation Fees	65,160
Return of LOSAP funds	36,738
Other Police Fees	29,412
Trailer Tax	26,198
Police Outside Employment Administrative Fees	21,367
Inspection of Buildings	12,974
Police Impound Fees	9,471
Calendar Advertising	7,338
Senior Citizen Trips	6,946
Other Refunds and Reimbursements	6,673
Inspection Fines	2,600
Tax Sale Premium	2,450
Payment In Lieu of Taxes	2,000
SC/V Administrative Fee	1,705
Prior Year Highway Safety Grant Funds	1,600
Planning Board	1,200
Community Center	675
Returned Check Fees	455
	<u>\$527,816</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, 2015

	<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	\$233,800	\$233,800	\$226,159	\$7,641	
Other Expenses	29,410	24,410	19,797	4,613	
Labor Attorney:	21,000	21,000	9,535	11,465	
Mayor and Council:					
Salaries and Wages	64,000	64,000	63,623	377	
Other Expenses	6,400	6,400	4,528	1,872	
Advertising:					
Other Expenses	27,190	27,190	9,183	18,007	
Elections:					
Salaries and Wages	1,950	1,950		1,950	
Other Expenses	4,140	4,140	2,512	1,628	
Municipal Clerk:					
Salaries and Wages	149,615	145,615	144,762	853	
Other Expenses	17,750	12,750	10,168	2,582	
Information Technology:					
Salaries and Wages	90,030	90,030	90,022	8	
Other Expenses	24,644	21,644	13,283	4,361	\$4,000

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<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	\$35,600	\$35,600	\$35,545	\$55	
Other Expenses	29,850	17,850	16,593	1,257	
Financial Administration:					
Salaries and Wages	195,575	195,575	183,175	12,400	
Other Expenses	47,400	47,400	46,896	504	
Bond Registration Fees	3,000	3,000	1,489	1,511	
Audit Services	48,000	48,000	21,100	26,900	
Assessment of Taxes:					
Salaries and Wages	85,110	85,110	82,860	2,250	
Other Expenses	16,475	16,475	14,363	2,112	
Collection of Taxes:					
Salaries and Wages	83,840	89,840	81,699	8,141	
Other Expenses	8,828	8,828	7,813	1,015	
Legal Services and Costs:					
Other Expenses	185,000	185,000	106,649	78,351	
Special Counsel	85,000	85,000	67,326	17,674	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<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	71,239	\$8,761	
Public Buildings and Grounds:					
Salaries and Wages	175,860	175,860	170,840	5,020	
Other Expenses	115,100	115,100	112,314	2,786	
Municipal Land Use Law (NJSA 40:55D-1)					
Planning Board:					
Salaries and Wages	2,450	22,450	18,290	4,160	
Other Expenses	21,650	31,650	27,080	4,570	
Board of Adjustment:					
Salaries and Wages	1,200	1,200		1,200	
Other Expenses	11,150	11,150	9,234	1,916	
Zoning Officer:					
Salaries and Wages	145,525	125,525	79,034	46,491	
Other Expenses	3,950	3,950	2,203	1,747	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<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	\$75,500	\$75,500	\$75,500		
Other Expenses	14,500	14,500	11,246	\$3,254	
Environmental Program:					
Salaries and Wages	200	200		200	
Other Expenses	5,000	2,500	123	2,377	
Gypsy Moth Program:					
Other Expenses	100	100		100	
Public Safety:					
Fire:					
Salaries and Wages	5,850	5,850	5,773	77	
Fire Hydrant Service	136,400	136,400	124,677	11,723	
Miscellaneous Other Expenses	84,650	84,650	82,023	2,627	
Insurance:					
Group Insurance	3,475,800	3,475,800	3,138,084	337,716	
Health Benefit Waiver	70,000	70,000		70,000	
Other Insurance	359,695	359,695	353,720	5,975	
Workman's Compensation	425,801	425,801	425,801		

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<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	\$72,300	\$72,300	\$72,275	\$25	
Other Expenses	8,800	8,800	4,357	2,443	\$2,000
Police:					
Salaries and Wages	5,200,084	5,200,084	5,199,986	98	
Other Expenses	254,700	254,700	245,123	4,577	5,000
Tuition Reimbursement	75,000	75,000	44,055	25,945	5,000
First Aid Organization Contribution:	32,117	30,117	26,286	3,831	
Demolition of Condemned and Unsafe Structures:					
Other Expenses	1,000	1,000		1,000	
Emergency Management Services:					
Salaries and Wages	3,200	3,200	3,200		
Other Expenses	8,500	8,500	8,204	296	
Road Repair and Maintenance:					
Salaries and Wages	969,450	965,450	958,187	7,263	
Other Expenses	85,000	85,000	76,914	8,086	
Municipal Court:					
Salaries and Wages	48,450	48,450	48,264	186	
Other Expenses	27,500	27,500	25,516	1,984	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<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	\$354,000	\$354,000	\$354,000		
Other Expenses	195,600	195,600	189,770	\$5,830	
Street Lighting:	135,000	135,000	103,793	31,207	
Monmouth County Reclamation Fees:	340,000	340,000	282,575	57,425	
Recycling - Contractual:					
Salaries and Wages	34,850	37,350	11,455	25,895	
Other Expenses	113,800	108,800	95,555	13,245	
Sanitation - Apartment Collection	250,000	250,000	249,883	117	
Health and Welfare:					
Monmouth Cty. Reg. Health Com. (NJSA 40:13)					
Salaries and Wages	8,575	8,575	7,863	712	
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, 2015

	<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	77,785	77,785	\$77,785		
Other Expenses	1,050	1,050	111	939	
Animal Control:					
Other Expenses	2,500	2,500	2,500		
Recreation and Education:					
Parks:					
Salaries and Wages	537,200	530,200	508,678	21,522	
Other Expenses	68,650	68,650	66,081	2,569	
Recreation:					
Salaries and Wages	144,950	144,950	135,827	9,123	
Other Expenses	55,845	55,845	54,078	1,767	
Celebration of Public Events:					
Other Expenses	12,950	11,450	9,102	2,348	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<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	\$226,300	\$226,300	\$222,339	\$3,961	
Other Expenses	33,100	32,100	30,331	1,769	
Miscellaneous Other Expenses:					
Youth Committee	2,800	2,800	1,652	1,148	
Tenant's Rights Committee	1,000	1,000		1,000	
Senior Citizen Programs:					
Salaries and Wages	54,500	59,500	34,469	25,031	
Other Expenses	17,075	17,075	14,307	2,768	
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Inspection of Buildings:					
Salaries and Wages	336,300	340,300	328,810	11,490	
Other Expenses	27,105	18,105	13,649	4,456	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
<u>Operations Within "CAPS"</u>					
Unclassified:					
Fuel for Motor Vehicles	\$270,000	\$270,000	\$142,657	\$127,343	
Salaries and Wages - Adjustment Program	55,000	55,000	54,059	941	
Business Advisory Committee	1,000	1,000		1,000	
Employee Sick Time Buy - Back	75,000	75,000	23,046	51,954	
Accumulated Absences	10,000	53,500	10,000	43,500	
Electricity	142,000	142,000	91,838	50,162	
Telephone	112,400	112,400	95,835	16,565	
Water	20,100	20,100	14,609	5,491	
Natural Gas	78,000	78,000	51,924	26,076	
Total Operations within "CAPS"	17,323,774	17,333,774	15,993,209	1,324,565	\$16,000
Contingent	4,000	4,000	770	3,230	
Total Operations Including Contingent within "CAPS"	17,327,774	17,337,774	15,993,979	1,327,795	16,000
Detail:					
Salaries and Wages	9,450,049	9,452,549	9,256,420	196,129	
Other Expenses (Including Contingent)	7,877,725	7,885,225	6,737,559	1,131,666	16,000

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<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.	\$469,462	\$469,462	\$469,462		
Social Security System (O.A.S.I.)	445,000	435,000	423,657	\$11,343	
Police and Firemen's Retirement System of N.J.	941,013	941,013	941,013		
Defined Contribution Retirement Program	11,600	11,600	10,526	1,074	
Early Retirement Incentive Program	33,382	33,382	33,382		
Unemployment Compensation					
Insurance	8,500	8,500	8,500		
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>1,908,957</u>	<u>1,898,957</u>	<u>1,886,540</u>	<u>12,417</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>19,236,731</u>	<u>19,236,731</u>	<u>17,880,519</u>	<u>1,340,212</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, 2015

	<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	\$64,000	\$64,000	\$62,508	\$1,492	
Other Expenses	9,604	9,604	6,410	3,194	
Telephone	2,500	2,500		2,500	
9-1-1 System (40A:4-45.3cc)					
Other Expenses	21,000	21,000	21,000		
Tax Appeal Reserve	50,000	50,000	50,000		
State Recycling Tax (C.311, P.L. 2007)	14,800	14,800	8,223	6,577	
NJDEP/Storm Water Mgt. (40A:4-45.3cc)	10,000	10,000	3,000	7,000	
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"	233,904	233,904	151,141	82,763	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<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	125,000	125,000	\$125,000		
Total Shared Service Agreements	129,000	129,000	125,000	4,000	
Public and Private Programs Offset by Revenues:					
Handicapped Person's Recreational					
Opportunity Fund (40A:4-87, \$20,000+)		20,000	20,000		
Clean Communities Program (40A:4-87, \$27,448+)		27,448	27,448		
Inspection of Buildings:					
Salaries and Wages	3,500	3,500	3,500		
Drunk Driving Enforcement Fund					
(40A:4-87, \$4,428+)		4,428	4,428		
Body Armor Fund	3,621	3,621	3,621		
Safe and Secure Communities Program	90,000	90,000	90,000		
Municipal Alliance on Alcoholism					
and Drug Abuse	32,733	32,733	32,733		

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<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):					
CDBG - Monmouth County	\$161,786	\$161,786	\$161,786		
Click it or Ticket (40A:4-87, \$4,000+)		4,000	4,000		
Impaired Driving (40A:4-87, \$14,523+)		14,523	14,523		
Bulletproof Vest (40A:4-87, \$3,615+)		3,615	3,615		
Drive Sober or get Pulled Over (40A:4-87, \$5,000+)		5,000	5,000		
Matching Funds for Grants	5,000	5,000	4,000	\$1,000	
Total Public and Private Programs Offset by Revenues	296,640	375,654	374,654	1,000	
 Total Operations Excluded from "CAPS"	 659,544	 738,558	 650,795	 87,763	
 Detail:					
Salaries and Wages	71,500	71,500	66,008	5,492	
Other Expenses	588,044	667,058	584,787	82,271	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2015

	<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>Capital Improvements Excluded from "CAPS"</u>					
Capital Improvement Fund	\$85,000	\$85,000	\$85,000		
Improvements to Wolcott Park	<u>42,350</u>	<u>42,350</u>	<u>41,100</u>		<u>\$1,250</u>
Total Capital Improvements Excluded from "CAPS"	<u>127,350</u>	<u>127,350</u>	<u>126,100</u>		<u>1,250</u>
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	1,186,000	1,186,000	1,186,000		
Interest on Bonds	510,000	510,000	507,603		2,397
Interest on Notes	11,400	11,400	10,415		985
Capital Lease Obligations					
Principal	341,300	341,300	341,300		
Interest	<u>29,800</u>	<u>29,800</u>	<u>29,750</u>		<u>50</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>2,078,500</u>	<u>2,078,500</u>	<u>2,075,068</u>		<u>3,432</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, 2015

	<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>\$44,000</u>	<u>\$44,000</u>	<u>\$44,000</u>	<u> </u>	<u> </u>
 Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,909,394</u>	<u>2,988,408</u>	<u>2,895,963</u>	<u>\$87,763</u>	<u>\$4,682</u>
 Subtotal General Appropriations	22,146,125	22,225,139	20,776,482	1,427,975	20,682
 Reserve for Uncollected Taxes	<u>1,697,300</u>	<u>1,697,300</u>	<u>1,697,300</u>	<u> </u>	<u> </u>
Total General Appropriations	<u>\$23,843,425</u>	<u>\$23,922,439</u>	<u>\$22,473,782</u>	<u>\$1,427,975</u>	<u>\$20,682</u>
 <u>Ref.</u>	A-2		A-1	A:A-1	
 Budget	A-3	\$23,843,425			
Appropriation by 40A:4-87	A-2	79,014			
		<u>\$23,922,439</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, 2015

	<u>Ref.</u>	<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$1,697,300
Disbursed	A-4	20,123,343
Reserve for Encumbrances	A-12	187,985
Reserve for Grants Appropriated	A-14	371,154
Reserve for Tax Appeals		50,000
Deferred Charge - Special Emergency Authorization (40A:4-53)		44,000
		<u>\$22,473,782</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Animal Control Fund:			
Cash and Cash Equivalents	B-1	<u>\$10,835</u>	<u>\$21,459</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-1	3,696,690	3,863,364
Due from Current Fund		<u>9,067</u>	<u>5,666</u>
		<u>3,705,757</u>	<u>3,869,030</u>
Length of Service Award Program Fund:			
(LOSAP) - Unaudited Investments	B-4	<u>394,392</u>	<u>421,949</u>
		<u>\$4,110,984</u>	<u>\$4,312,438</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Fund:			
Due to State of New Jersey		\$4	\$99
Reserve for Animal Control Fund Expenditures	B-2	8,733	13,572
Due to Current Fund			4,849
Prepaid Licenses		2,098	2,939
		<u>10,835</u>	<u>21,459</u>
Other Trust Fund:			
Reserve for Other Trust Fund Deposits	B-3	<u>3,705,757</u>	<u>3,869,030</u>
Length of Service Award			
Program Fund:			
(LOSAP) - Unaudited			
Reserve for Length of Service Award			
Program Fund	B-5	<u>394,392</u>	<u>421,949</u>
		<u>\$4,110,984</u>	<u>\$4,312,438</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$3,149,187	\$5,806,585
Deferred Charges to Future Taxation:			
Funded	C-9	10,020,000	11,206,000
Unfunded	C-10	1,244,285	
Leased Assets under Capital Lease		399,800	595,100
		<u>\$14,813,272</u>	<u>\$17,607,685</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	\$10,020,000	\$11,206,000
Bond Anticipation Notes	C-7	1,244,285	2,949,954
Improvement Authorizations:			
Funded	C-5	1,598,481	1,919,202
Unfunded	C-5	886,592	
Lease Obligations Payable	C-8	399,800	595,100
Reserve for Encumbrances	C-5	609,061	891,037
Capital Improvement Fund	C-4	45,532	36,547
Due to Current Fund		131	455
Fund Balance	C-1	9,390	9,390
		<u>\$14,813,272</u>	<u>\$17,607,685</u>

There were no bonds and notes authorized but not issued on December 31, 2015 and December 31, 2014.

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, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance, January 1	C	\$9,390	\$1,437
Increased by:			
Premium on Serial Bonds Issued		<u>9,390</u>	<u>9,390</u>
			<u>10,827</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue		<u> </u>	<u>1,437</u>
Balance, December 31	C	<u><u>\$9,390</u></u>	<u><u>\$9,390</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, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
General Fixed Assets:			
Land, Buildings and Improvements		\$11,264,386	\$11,264,386
Machinery and Equipment		<u>11,614,641</u>	<u>11,263,824</u>
Total General Fixed Assets		<u><u>\$22,879,027</u></u>	<u><u>\$22,528,210</u></u>
<u>Liabilities and Reserves</u>			
Investment in General Fixed Assets	D-1	<u><u>\$22,879,027</u></u>	<u><u>\$22,528,210</u></u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash and Cash Equivalents	<u>\$156,474</u>	<u>\$133,084</u>
<u>Reserves</u>		
Due to Current Fund	\$112,125	\$112,125
Reserve for Expenditures	<u>44,349</u>	<u>20,959</u>
	<u>\$156,474</u>	<u>\$133,084</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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.

F. Reclassification

Certain prior year amounts have been reclassified to conform to the current year financial statements presentation.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

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

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2015 and 2014 the Borough's bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Uninsured and Uncollateralized	\$1,872,930	\$1,713,359
GUDPA Insured and Collateralized with Securities Held by Pledging Financial Institutions	<u>7,797,879</u> <u>\$9,670,809</u>	<u>10,020,310</u> <u>\$11,733,669</u>

In addition, as of December 31, 2015 and 2014, the Borough had \$1,785,842 and \$1,783,544, 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, 2015 and 2014 were \$394,392 and \$421,949, respectively.

Credit Risk - State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2015 and 2014 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, 2015
General Improvement	12/4/02	\$1,553,000	5.00%	\$7,000
General Improvement	12/29/05	1,327,000	4.00-5.00%	275,000
General Improvement	12/4/08	4,549,000	4.00-5.25%	3,193,000
General Improvement	12/29/11	4,150,000	5.00%	2,700,000
General Improvement	5/22/12	1,180,000	4.00%	430,000
General Improvement	12/9/14	3,775,000	3.00-5.00%	3,415,000
				<u>\$10,020,000</u>

Long-term bonded debt service requirements are as follows:

Year	Principal	Interest	Total
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	1,188,000	248,884	1,436,884
2021-2025	3,511,000	510,480	4,021,480
2026	360,000	18,000	378,000
	<u>\$10,020,000</u>	<u>\$2,324,520</u>	<u>\$12,344,520</u>

Long-Term Debt

Long-term debt transactions for the years ended December 31, 2015 and 2014 are summarized as follows:

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

3. DEBT (continued)

Short-Term Debt

At December 31, 2015 and 2014 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, 2015</u>
Various Capital Improvements and the Acquisition of Various Capital Equipment	9/30/15	9/29/16	0.70%	<u>\$1,244,285</u>
<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%	<u>\$1,047,850</u>
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>

Bond anticipation note transactions for the years ended December 31, 2015 and 2014 are summarized as follows:

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

4. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2015 and 2014, which were appropriated and included as anticipated revenue in the current fund budget for the years ended December 31, 2016 and 2015 were as follows:

For the year ended December 31, 2016,

Current Fund	\$2,650,000
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For the year ended December 31, 2015,

Current Fund	\$2,550,000
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5. TAXES COLLECTED IN ADVANCE

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

	<u>Balance December 31,</u>	
	<u>2015</u>	<u>2014</u>
Prepaid Taxes	\$339,000	\$295,477

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, 2015 and 2014 as follows:

	<u>Local District</u>		<u>Regional High</u>	
	<u>School Tax</u>		<u>School Tax</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Balance of Tax	\$7,689,025	\$7,552,246	\$4,247,780	\$4,239,103
Deferred	<u>7,538,796</u>	<u>7,425,783</u>	<u>4,247,779</u>	<u>4,239,102</u>
Tax Payable	<u>\$150,229</u>	<u>\$126,463</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, 2015 and 2014 were \$935,679 and \$978,601, 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, 2015 and 2014 was as follows:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Land, Buildings and Improvements	\$11,264,386			\$11,264,386
Machinery and Equipment	<u>11,263,824</u>	<u>\$350,817</u>		<u>11,614,641</u>
	<u>\$22,528,210</u>	<u>\$350,817</u>	<u>-</u>	<u>\$22,879,027</u>
	<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>

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, 2015</u>
Capital Equipment	10/4/07	\$1,131,900	5.00%	\$253,800
Capital Equipment	10/8/15	146,000	2.00%-5.00%	146,000
				<u>\$399,800</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>
2016	\$149,800	\$18,479	\$168,279
2017	158,000	12,220	170,220
2018	29,000	4,600	33,600
2019	31,000	3,150	34,150
2020	32,000	1,600	33,600
	<u>\$399,800</u>	<u>\$40,049</u>	<u>\$439,849</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, 2015, 2014 and 2013 were \$50,563, \$39,754 and \$32,427, 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 6.92% of base wages through June 30, 2015. Effective July 1, 2015 PERS employee contributions were 7.06% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually.

Defined Contribution Retirement Program

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

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

Unfunded Pension Liability

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2015. As of the date of this report, the State of New Jersey has not allocated any unfunded net pension liability to the municipality and the amount to disclose in the notes to the financial statements is not presently known, but is probably material.

13. PENSION PLANS (continued)

Public Employees Retirement System (PERS)

At June 30, 2015, the State reported a net pension liability of \$12,483,857 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2015, the Borough's proportion was 0.0556123430 percent, which was a decrease of 0.000013345533 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$478,117 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statement based on the April 1, 2015 billing was \$469,462.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. These actuarial valuations used the following assumptions:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases (based on age)		
2012-2021	2.15% - 4.40%	2.15% - 4.40%
Thereafter (based on age)	2.15% - 4.40%	3.15% - 5.40%
Investment Rate of Return	7.90%	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

13. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 and June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bond			1.00%	2.49%
Intermediate Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad U.S. Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Markets	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Returns	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Global Debt ex US	3.50%	-0.40%		
REIT	4.25%	5.12%		
	<u>100.00%</u>		<u>100.00%</u>	

13. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (3.90%) or 1 percentage point higher (5.90%) than the current rate:

	June 30, 2015		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
Borough's proportionate share of the pension liability	\$15,515,906	\$12,483,857	\$9,941,808

Pension plan fiduciary net position

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

13. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2015, the State reported a net pension liability of \$21,860,123 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Borough's proportion was 0.1312406831 percent, which was an increase of 0.0087239668 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$1,066,791. The pension expense recognized in the Borough's financial statement based on the April 1, 2015 billing was \$941,013.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases (based on age)		
2012-2021	2.60% - 9.48%	3.95% - 8.62%
Thereafter (based on age)	3.60% - 10.48%	4.95% - 9.62%
Investment Rate of Return	7.90%	7.90%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

13. PENSION PLANS (continued)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 and June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bond			1.00%	2.49%
Intermediate Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad U.S. Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Markets	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Returns	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Global Debt ex US	3.50%	-0.40%		
REIT	4.25%	5.12%		
	<u>100.00%</u>		<u>100.00%</u>	

13. PENSION PLANS (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (4.79) or 1 percentage point higher (6.79%) than the current rate:

	June 30, 2015		
	1% Decrease <u>4.79%</u>	At Current Discount Rate <u>5.79%</u>	1% Increase <u>6.79%</u>
Borough's proportionate share of the pension liability	\$28,818,582	\$21,860,123	\$16,186,121

Pension plan fiduciary net position

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

14. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

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

15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

At December 31, 2015 and 2014, the following deferred charges were reflected on the balance sheet of the current fund:

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

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

The appropriations in the 2016 and 2015 budgets were not less than required by statute.

16. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2015 and 2014 are presented below:

	December 31, 2015	December 31, 2014
<u>Receivables</u>		
Current Fund	\$518,274	\$154,368
Other Trust Fund	9,067	5,666
	<u>\$527,341</u>	<u>\$160,034</u>
<u>Payables</u>		
Current Fund	\$9,067	\$5,666
General Capital Fund	131	455
Animal Control Fund		4,849
Payroll Fund	112,125	112,125
Federal and State Grant Fund	406,018	36,939
	<u>\$527,341</u>	<u>\$160,034</u>

All balances resulted from the time lag between the dates that payments between funds were made.

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, 2015, 2014 and 2013 were \$1,278,581, \$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

On March 3, 2016 the Borough refunded a portion of the Borough's general obligation bonds, series 2008 and issued general obligation refunding bonds of \$2,325,000.

On July 27, 2016 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$1,545,217 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, 2015

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2015

Balance, December 31, 2014	<u>Ref.</u> A		\$5,684,987
Increased by Receipts:			
Collector	A-5	\$46,498,110	
Revenue Accounts Receivable	A-8	4,244,173	
State of New Jersey (PL 1971, Ch.20)		85,226	
Miscellaneous Revenue not Anticipated	A-2	527,816	
Grants Receivable	A-13	180,904	
Reserves for:			
Marriage License Fees		2,143	
Training Fees		35,818	
Elevator Inspections		33,588	
Outside Liens		132,327	
Interfunds		<u>126,496</u>	
			<u>51,866,601</u>
			57,551,588
Decreased by Disbursements:			
Budget Appropriations	A-3	20,123,343	
Appropriation Reserves	A-9	482,078	
Local District School Tax	A-10	14,940,813	
Regional High School Tax	A-11	8,486,883	
Appropriated Reserves	A-14	590,530	
County Taxes		6,424,943	
Refund of Tax Overpayments		108,893	
Refunds	A-1	414	
Interfunds		117,922	
Reserves for:			
Training Fees		39,014	
Marriage Licenses		2,518	
Elevator Inspections		31,608	
Outside Liens		129,610	
Revaluation		126,000	
Tax Appeals		<u>122,258</u>	
			<u>51,726,827</u>
Balance, December 31, 2015	A		<u><u>\$5,824,761</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR
Year Ended December 31, 2015

	<u>Ref.</u>		
Increased by Receipts:			
Taxes Receivable	A-6	\$46,052,677	
Prepaid Taxes		339,000	
Revenue Accounts Receivable -			
Interest and Costs on Taxes	A-8	78,604	
Tax Overpayments		<u>27,829</u>	
			<u><u>\$46,498,110</u></u>
Decreased by Disbursements:			
Payment to Treasurer - Current Fund	A-4		<u><u>\$46,498,110</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, 2015

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>2015 Levy</u>	<u>Collection by Cash</u>		<u>Senior Citizens</u> <u>and Veterans</u> <u>Deductions</u>	<u>Canceled and</u> <u>Adjustments</u>	<u>Overpayments</u> <u>Applied</u>	<u>Transferred</u> <u>to Tax</u> <u>Title Liens</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
			<u>2014</u>	<u>2015</u>					
Prior	\$49,917			\$1,129		\$11,283			\$37,505
2014	389,376			386,624					2,752
	439,293			387,753		11,283			40,257
2015		\$46,793,932	\$295,477	45,664,924	\$86,500	74,900	\$11,756	\$9,396	650,979
	<u>\$439,293</u>	<u>\$46,793,932</u>	<u>\$295,477</u>	<u>\$46,052,677</u>	<u>\$86,500</u>	<u>\$86,183</u>	<u>\$11,756</u>	<u>\$9,396</u>	<u>\$691,236</u>
<u>Ref.</u>	A			A-5				A-7	A

Analysis of 2015 Property Tax Levy

Tax Yield:

General Purpose Tax	\$46,503,151
Added Taxes (54:4-63.1 Et Seq.)	290,313
Omitted Taxes (54:4-63.12 Et Seq.)	468
	<u>\$46,793,932</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, 2015

Analysis of 2015 Property Tax Levy (continued)

	<u>Ref.</u>	
Tax Levy:		
Regional High School Tax	A-11	\$8,495,560
Local District School Tax	A-10	15,077,592
County Taxes:		
County Tax		5,622,236
County Library Tax		370,693
County Open Space Tax		309,876
County Health Tax		111,289
Due to County for Added and Omitted Taxes		40,154
Total County Taxes		<u>6,454,248</u>
Local Tax for Municipal Purposes	A-2	16,505,167
Add: Additional Tax Levied		261,365
Local Tax for Municipal Purposes Levied		<u>16,766,532</u>
		<u>\$46,793,932</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$94,268
Increased by:		
Transfers from Taxes Receivable	A-6	<u>9,396</u>
Balance, December 31, 2015	A	<u><u>\$103,664</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2015

	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>Accrued in 2015</u>	<u>Realized / Collected</u>	<u>Balance Dec. 31, 2015</u>
Alcoholic Beverage Licenses	A-2		\$38,188	\$38,188	
Other Licenses	A-2		26,110	26,110	
Fees and Permits	A-2		245,478	245,478	
Municipal Court Fines and Costs	A-2	\$57,860	694,364	699,222	\$53,002
Interest and Costs on Taxes	A-2		78,604	78,604	
Interest on Investments	A-2		2,903	2,903	
Consolidated Municipal Property					
Tax Relief Act	A-2		48,090	48,090	
Energy Receipts Tax	A-2		1,416,525	1,416,525	
Uniform Construction Code Fees	A-2		636,604	636,604	
Mechanical Garage - Eatontown Board of					
Education	A-2		5,348	5,348	
Cooperative Housing Inspection Grant	A-2		1,253	1,253	
Senior Citizen Housing (In Lieu of Taxes)	A-2		208,641	208,641	
Borough Community Center Programs	A-2		275,595	275,595	
Uniform Fire Safety Act	A-2		55,602	55,602	
Hotel Tax	A-2		235,906	235,906	
Cell Tower Agreements	A-2		254,586	254,586	
CATV Franchise Fees	A-2		94,122	94,122	
		<u>\$57,860</u>	<u>\$4,317,919</u>	<u>\$4,322,777</u>	<u>\$53,002</u>
	<u>Ref.</u>	A			A
Collected by:					
Treasurer	A-4			\$4,244,173	
Tax Collector:					
Interest and Costs on Taxes	A-5			78,604	
				<u>\$4,322,777</u>	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</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	\$10,362		\$10,362		\$10,362
Municipal Clerk	3,521		3,521		3,521
Information Technology	456		456		456
Purchasing	52		52		52
Financial Administration	2,903		2,903		2,903
Assessment of Taxes	2,250		2,250		2,250
Collection of Taxes	2,398		2,398		2,398
Public Buildings and Grounds	1,633		1,633		1,633
Planning Board	2,053		2,053		2,053
Board of Adjustment	1,113		1,113		1,113
Zoning Officer	9,498		9,498		9,498
Environmental Program	100		100		100
Fire	40		40		40
Uniform Fire Safety Act	8,131	\$1,050	9,181	\$1,050	8,131
Police	67,474		67,474	7,127	60,347
Road Repair and Maintenance	1,167		1,167		1,167
Municipal Court	546		546		546
Maintaining Borough Equipment	5,550		5,550		5,550
Recycling	20,424		20,424		20,424
Monmouth County Reg.					
Health Com. (NJSA 40:13)	462		462	402	60
Parks	7,132		7,132		7,132
Recreation	9,048		9,048		9,048
Senior Citizens Programs	10,628		10,628		10,628
Inspection of Buildings	11,888		11,888		11,888
Aid to Privately Owned Library	5,622		5,622		5,622
Other Expenses:					
Administrative and Executive	5,061	1,613	6,674	2,289	4,385
Labor Attorney	8,291		8,291	3,600	4,691
Mayor and Council	1,410	434	1,844	465	1,379
Advertising	16,658	356	17,014	6,169	10,845
Elections	1,784	400	2,184	400	1,784
Municipal Clerk	4,657	205	4,862	477	4,385
Information Technology	6,706	687	7,393	687	6,706
Purchasing	9,359	2,183	11,542	7,029	4,513
Financial Administration	12,532		12,532	7,405	5,127

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</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	\$1,686		\$1,686		\$1,686
Audit Services	42,550		42,550	\$22,800	19,750
Assessment of Taxes	398		398		398
Collection of Taxes	1,428		1,428	55	1,373
Legal Services and Costs	23,655	\$122	23,777	23,777	
Special Counsel	95,000		95,000	2,206	92,794
Engineering Services and Costs:					
Miscellaneous Other Expenses	11,966		11,966	11,966	
Public Buildings and Grounds	4,834	19,193	24,027	17,062	6,965
Planning Board	12,813	2,291	15,104	3,253	11,851
Board of Adjustment	11,855	450	12,305	450	11,855
Zoning Officer	987	59	1,046	59	987
Shade Tree Commission	998	47	1,045		1,045
Environmental Program	2,602	110	2,712	110	2,602
Gypsy Moth Program	100		100		100
Fire:					
Fire Hydrant Service	9,704		9,704	9,704	
Miscellaneous Other Expenses	10,877	8,311	19,188	10,280	8,908
Group Insurance	473,141	20,056	493,197	34,641	458,556
Other Insurance	20,770	3,692	24,462	3,838	20,624
Workman's Compensation Insurance	402		402		402
Uniform Fire Safety Act	4,236	205	4,441	235	4,206
Police	9,900	31,834	41,734	35,249	6,485
First Aid Contribution	7,426	5,341	12,767	5,172	7,595
Demolition of Structures	1,000		1,000		1,000
Emergency Management Services	2,422	59	2,481	88	2,393
Road Repair and Maintenance	12,460	11,866	24,326	10,191	14,135
Municipal Court	190	4,524	4,714	4,524	190
Maintaining of Borough Equipment	15,963	10,761	26,724	23,715	3,009
Street Lighting	43,693	502	44,195	10,288	33,907
Monmouth County					
Reclamation Fees	46,859	23,174	70,033	45,952	24,081
Recycling	19,524	9,418	28,942	9,418	19,524
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	323		323		323

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</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	\$2,210	\$17,494	\$19,704	\$15,837	\$3,867
Recreation	5,282	4,412	9,694	4,237	5,457
Public Events	2,243	718	2,961	328	2,633
Community Center	4,143	1,325	5,468	2,059	3,409
Youth Committee	1,420		1,420		1,420
Tenant's Rights Committee	1,000		1,000		1,000
Senior Citizen's Programs	2,160	1,020	3,180	1,020	2,160
Inspection of Buildings	19,250	1,133	20,383	1,403	18,980
Fuel for Motor Vehicles	16,990	42,415	59,405	48,783	10,622
Business Advisory Committee	1,000		1,000		1,000
Employee Sick Time Buy - Back	24,963		24,963		24,963
Electricity	21,526	392	21,918	7,358	14,560
Telephone	26,882	1,707	28,589	2,150	26,439
Water	3,550	807	4,357	2,439	1,918
Natural Gas	15,886		15,886	8,615	7,271
Contingent	3,034	384	3,418	384	3,034
Social Security System (O.A.S.I.)	27,051		27,051		27,051
Defined Contribution					
Retirement Program	3,162		3,162		3,162
Aid to Privately Owned Library	2,061	3,538	5,599	3,538	2,061
State Recycling Tax	3,313	891	4,204	1,850	2,354
NJDEP/Storm Water Mgt.	4,700		4,700	2,880	1,820
Length of Service Award Program - Fire	44,000		44,000	30,988	13,012
Length of Service Award Program - First Aid	18,000		18,000	9,200	8,800
	<u>\$1,400,347</u>	<u>\$255,796</u>	<u>\$1,656,143</u>	<u>\$485,819</u>	<u>\$1,170,324</u>

Ref.

A

A-12

A-1

Accounts Payable
Disbursed

Ref.

A

\$3,741

A-4

482,078

\$485,819

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
Year Ended December 31, 2015

	<u>Ref.</u>		
Balance, December 31, 2014:			
School Tax Payable	A	\$126,463	
School Tax Deferred		<u>7,425,783</u>	
			\$7,552,246
Increased by:			
Levy - School Year July 1, 2015 to June 30, 2016	A-6		<u>15,077,592</u>
			<u>22,629,838</u>
Decreased by:			
Payments	A-4		<u>14,940,813</u>
Balance, December 31, 2015:			
School Tax Payable	A	150,229	
School Tax Deferred		<u>7,538,796</u>	
			<u><u>\$7,689,025</u></u>
<u>2015 Liability for Local District School Tax:</u>			
Tax Paid	A-10	\$14,940,813	
Taxes Payable, December 31, 2015	A-10	<u>150,229</u>	
			\$15,091,042
Less: Taxes Payable, December 31, 2014	A-10		<u>126,463</u>
Amount Charged to 2015 Operations	A-1		<u><u>\$14,964,579</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, 2015

	<u>Ref.</u>		
Balance, December 31, 2014:			
School Tax Payable	A	\$1	
School Tax Deferred		<u>4,239,102</u>	
			\$4,239,103
Increased by:			
Levy - School Year July 1, 2015 to June 30, 2016	A-6	<u>8,495,560</u>	
			12,734,663
Decreased by:			
Payments	A-4	<u>8,486,883</u>	
Balance, December 31, 2015:			
School Tax Payable	A	1	
School Tax Deferred		<u>4,247,779</u>	
			<u>\$4,247,780</u>
<u>2015 Liability for Regional High School Tax:</u>			
Tax Paid and Charged to 2015 Operations	A-11:A-1	<u>\$8,486,883</u>	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$255,796
Increased by:		
Transferred from 2015 Appropriations	A-3	<u>187,985</u>
		443,781
Decreased by:		
Transfer to Appropriation Reserves	A-9	<u>255,796</u>
Balance, December 31, 2015	A	<u><u>\$187,985</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, 2015

<u>Grant</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Anticipated Revenue</u>	<u>Cash Receipts</u>	<u>Balance Dec. 31, 2015</u>
Municipal Alliance on Alcoholism and Drug Abuse	A-2	\$13,509	\$26,186	\$24,544	\$15,151
Handicapped Recreation Opportunities Fund	A-2		20,000		20,000
New Jersey Transportation Trust Fund		299,753			299,753
Clean Communities Program	A-2		27,448	27,448	
Safe and Secure Communities Program	A-2	45,000	60,000	90,000	15,000
Bulletproof Vest	A-2		3,615	3,615	
Body Armor Fund	A-2		3,621	3,621	
Open Space Monmouth County		180,000			180,000
Open Space Stewardship		250			250
No Net Loss Reforestation		191,700		7,200	184,500
Drunk Driving Enforcement Fund	A-2		4,428	4,428	
Cars - E Grant		481			481
CDBG - Monmouth County	A-2		161,786		161,786
State and Community Highway Safety	A-2		14,523	14,298	225
Click It or Ticket	A-2		4,000	4,000	
Drive Sober or Get Pulled Over	A-2		5,000	1,750	3,250
		<u>\$730,693</u>	<u>\$330,607</u>	<u>\$180,904</u>	<u>\$880,396</u>
<u>Ref.</u>		A		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, 2015

Grant	Balance Dec. 31, 2014	Transfer from 2015 Budget Appropriation	Transferred from Reserve for Encumbrances	Expended	Balance Dec. 31, 2015
Municipal Alcohol Education/Rehabilitation Program	\$4,613				\$4,613
Drunk Driving Enforcement Fund	6,461	\$4,428	\$165	\$4,690	6,364
Comcast Technology	3,478		10,183	10,183	3,478
New Jersey Transportation Trust Fund	84,846		154,051	201,412	37,485
Handicapped Person's Recreational Opportunities Fund	3,132	24,000		805	26,327
Clean Communities Program		27,448		27,448	
Body Armor Fund		3,621		3,621	
Bulletproof Vest	653	3,615	7,432	8,085	3,615
Safe and Secure Communities Program	7,090	90,000		90,000	7,090
Open Space Monmouth County	210,000			210,000	
Municipal Alliance on Alcoholism and Drug Abuse	7,988	32,733	549	35,982	5,288
Cars - E Grant	481				481
Sustainable Jersey Small Program	566				566
Open Space Stewardship	750				750
No Net Loss Reforestation	191,313			8,820	182,493
CDBG - Monmouth County		161,786			161,786
Impaired Driving		14,523		9,200	5,323
Drive Sober or Get Pulled Over		5,000		3,000	2,000
Click It or Ticket		4,000		3,800	200
	<u>\$521,371</u>	<u>\$371,154</u>	<u>\$172,380</u>	<u>\$617,046</u>	<u>\$447,859</u>

Ref.

A

A-3

A

A

Ref.

Cash Disbursements

A-4

\$590,530

Reserve for Encumbrances

A

26,516

\$617,046

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2015

<u>Grant</u>	<u>Balance Dec. 31, 2015 and 2014</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, 2015

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other</u>
Balance, December 31, 2014	B	<u>\$21,459</u>	<u>\$3,863,364</u>
Increased by Receipts:			
2015 Budget Appropriation	B-2	2,500	
Dog License Fees	B-2	3,975	
State Dog License Fees		674	
Prepaid Licenses		792	
Various Deposits	B-3		1,497,172
		<u>7,941</u>	<u>1,497,172</u>
Decreased by Disbursements:			
Due to Current Fund		4,849	3,401
State Dog License Fees		769	
Expenditures Under R.S. 4:19-15.11	B-2	12,947	
Various Deposits	B-3		1,660,445
		<u>18,565</u>	<u>1,663,846</u>
Balance, December 31, 2015	B	<u><u>\$10,835</u></u>	<u><u>\$3,696,690</u></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, 2015

	<u>Ref.</u>		
Balance, December 31, 2014	B		\$13,572
Increased by:			
2015 Budget Appropriation	B-1	\$2,500	
Dog License Fees Collected in 2015	B-1	3,975	
Prepaid Revenue Realized		<u>1,633</u>	
			<u>8,108</u>
			21,680
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash	B-1		<u>12,947</u>
Balance, December 31, 2015	B		<u><u>\$8,733</u></u>

License Fees Collected:	<u>Year</u>	<u>Amount</u>
	2014	\$6,390
	2013	<u>6,334</u>
		<u><u>\$12,724</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, 2015

Purpose	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Developer's Escrow	\$1,568,061	\$568,794	\$870,665	\$1,266,190
Security Deposits	119,555	42		119,597
Law Enforcement	8,629	668	5,371	3,926
Unemployment	39,754	19,885	9,076	50,563
Agency	7,970	8,524	9,233	7,261
Municipal Alliance	3,664	2,000	1,837	3,827
Public Defender	8,626	5,508	12,436	1,698
Police Outside Employment	131,435	352,370	332,884	150,921
Recreation Contributions	9,123	7,833	7,721	9,235
Uniform Fire Safety Penalties	68,989	13,517	96	82,410
Premium on Tax Sale	196,300	302,900	232,800	266,400
POAA	5,337	1,904	1,000	6,241
Fire Contributions	4,933	2		4,935
Affordable Housing	1,430,037	193,872	137,463	1,486,446
Other Contributions	5,668	9,203	3,583	11,288
Accumulated Absences	155,000	10,000		165,000
Historical Museum Donations	4,612	150		4,762
Eatontown Economic Development Advisory Committee Donations	275			275
Recycling	101,062		36,280	64,782
	<u>\$3,869,030</u>	<u>\$1,497,172</u>	<u>\$1,660,445</u>	<u>\$3,705,757</u>
<u>Ref.</u>	B	B-1	B-1	B

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF LENGTH OF SERVICE AWARD
PROGRAM FUND INVESTMENTS
Year Ended December 31, 2015

	<u>Ref.</u>		
Balance, December 31, 2014	B		\$421,949
Increased by:			
Borough Contributions	B-5		<u>39,100</u>
			461,049
Decreased by:			
Return of Non-Vested Funds	B-5	\$36,738	
Distributions	B-5	27,770	
Administrative Charges	B-5	1,919	
Change in Market Value	B-5	<u>230</u>	
			<u>66,657</u>
Balance, December 31, 2015	B		<u><u>\$394,392</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, 2015

	<u>Ref.</u>		
Balance, December 31, 2014	B		\$421,949
Increased by:			
Borough Contributions	B-4		<u>39,100</u>
			461,049
Decreased by:			
Return of Non-Vested Funds	B-4	\$36,738	
Distributions	B-4	27,770	
Administrative Charges	B-4	1,919	
Change in Market Value	B-4	<u>230</u>	
			<u>66,657</u>
Balance, December 31, 2015	B		<u><u>\$394,392</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2015

	<u>Ref.</u>		
Balance, December 31, 2014	C		\$5,806,585
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-4	\$85,000	
Due to Current Fund		131	
Bond Anticipation Notes	C-7	<u>1,244,285</u>	
			<u>1,329,416</u>
			7,136,001
Decreased by Disbursements:			
Bond Anticipation Notes	C-7	2,949,954	
Due from Current Fund		455	
Improvement Authorizations	C-5	<u>1,036,405</u>	
			<u>3,986,814</u>
Balance, December 31, 2015	C		<u><u>\$3,149,187</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2015</u>
Capital Improvement Fund	\$45,532
Due to Current Fund	131
Fund Balance	9,390
Reserve for Encumbrances	609,061

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	5,272
11-2005	Various Capital Improvements	214,967
26-2006	Various Improvements	188,475
19-2007	Various Improvements	282,946
15-2008	Various Improvements	194,850
07-2009	Various Improvements	134,341
15-2010	Various General Improvements	105,670
07-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	189,116
17-2012	Various Improvements	102,444
23-2012	Acquisition of a Fire Truck	14,382
10-2013	Various Improvements	108,106
07-2014	Various Capital Improvements and the Acquisition of Various Capital Equipment	53,206
09-2015	Various Capital Improvements and the Acquisition of Various Capital Equipment	886,592
		<u>\$3,149,187</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, 2015

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$36,547
Increased by:		
2015 Budget Appropriation	C-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">85,000</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
		121,547
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-5	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">76,015</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
Balance, December 31, 2015	C	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$45,532</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 50px;"></div> </div>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2014		2015 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2015	
			Funded	Encumbered				Funded	Unfunded
11-2002	Various Capital Improvements	\$1,645,521	\$1,206					\$1,206	
13-2003	Wall Street Sidewalks	235,000	3,500					3,500	
20-2004	Various Improvements	600,000	58,772			\$53,500		5,272	
11-2005	Various Capital Improvements	1,650,000	214,967					214,967	
26-2006	Various Improvements	780,000	194,891	\$26,680		33,096		188,475	
19-2007	Various Improvements	1,461,300	282,946	375		375		282,946	
15-2008	Various Improvements	1,075,500	195,250	19,339		19,739		194,850	
07-2009	Various Improvements	1,399,200	134,341					134,341	
15-2010	Various General Improvements	1,351,666	134,544			28,874		105,670	
07-2011	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	1,357,600	220,116	7,583		38,583		189,116	
17-2012	Various Improvements	1,103,000	159,303	12,352		69,211		102,444	
23-2012	Acquisition of a Fire Truck	850,000	14,382					14,382	
10-2013	Various Improvements	1,152,215	109,726	40,474		42,094		108,106	
07-2014	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,337,520	195,258	784,234		926,286		53,206	
09-2015	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,520,300			\$1,520,300	433,708	\$200,000		\$886,592
			<u>\$1,919,202</u>	<u>\$891,037</u>	<u>\$1,520,300</u>	<u>\$1,645,466</u>	<u>\$200,000</u>	<u>\$1,598,481</u>	<u>\$886,592</u>
	<u>Ref.</u>		C	C			C-10	C	C
	Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund			<u>Ref.</u>					
				C-10	\$1,444,285				
				C-4	76,015				
					<u>\$1,520,300</u>				
				<u>Ref.</u>					
				Cash Disbursements	C-2	\$1,036,405			
				Reserve for Encumbrances	C	609,061			
						<u>\$1,645,466</u>			

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
General Improvement	12/4/02	\$1,553,000	12/1/16	\$3,000	5.00%	\$11,000	\$4,000	\$7,000
			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	12/1/16	134,000	5.00%	403,000	128,000	275,000
			12/1/17	141,000	4.00%			
General Improvement	12/4/08	4,549,000	12/1/16	230,000	4.00%	3,412,000	219,000	3,193,000
			12/1/17	239,000	4.00%			
			12/1/18	248,000	5.25%			
			12/1/19	262,000	4.50%			
			12/1/20	273,000	4.50%			
			12/1/21	286,000	5.00%			
			12/1/22	300,000	5.25%			
			12/1/23	316,000	5.00%			
			12/1/24	331,000	5.125%			
			12/1/25	348,000	5.125%			
			12/1/26	360,000	5.00%			

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
General Improvement	12/29/11	\$4,150,000	12/1/16	\$395,000	5.00%	\$3,080,000	\$380,000	\$2,700,000
			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	12/1/16	100,000	4.00%	525,000	95,000	430,000
			12/1/17	105,000	4.00%			
			12/1/18	110,000	4.00%			
			12/1/19	115,000	4.00%			
General Improvement	12/9/14	3,775,000	12/1/16	370,000	3.00%	3,775,000	360,000	3,415,000
			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>\$11,206,000</u>	<u>\$1,186,000</u>	<u>\$10,020,000</u>	
Ref.					C	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, 2015

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
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	
09-2015	Various Capital Improvements and the Acquisition of Various Capital Equipment	9/30/15	9/30/15	9/29/16	0.70%		\$1,244,285		\$1,244,285
						<u>\$2,949,954</u>	<u>\$1,244,285</u>	<u>\$2,949,954</u>	<u>\$1,244,285</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, 2015

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$595,100
Increased by:		
Lease Obligations Authorized		146,000
		<u>741,100</u>
Decreased by:		
Paid by Budget Appropriation		341,300
		<u>341,300</u>
Balance, December 31, 2015	C	<u><u>\$399,800</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, 2015

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$11,206,000
Decreased by:		
Budget Appropriation to Pay General Serial Bonds	C-6	<u>1,186,000</u>
Balance, December 31, 2015	C	<u><u>\$10,020,000</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>2015 Authorizations</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2015</u>	<u>Analysis of Balance December 31, 2015 Financed by Bond Anticipation Notes</u>
09-2015	Various Capital Improvements and the Acquisition of Various Capital Equipment	<u>\$1,444,285</u>	<u>\$200,000</u>	<u>\$1,244,285</u>	<u>\$1,244,285</u>
	<u>Ref.</u>	C-5	C-5	C	C-7

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, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
General Fixed Assets:			
Land, Buildings and Improvements	\$11,264,386		\$11,264,386
Machinery and Equipment	<u>11,263,824</u>	<u>\$350,817</u>	<u>11,614,641</u>
	<u>\$22,528,210</u>	<u>\$350,817</u>	<u>\$22,879,027</u>
<u>Ref.</u>	D		D

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2015

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS

YEAR ENDED DECEMBER 31, 2015

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:

Electric Generation Service
Police Uniforms
Senior Center Phase II
Improvements to Wolcott Park
Recycling Collection Services
Sanitation Collection Services
Energy Aggregation Services
Tandem Dump Truck

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, 2015 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 2015 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 4, 2015 and was complete.

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

2015	19
2014	17
2013	10

SUMMARY OF MUNICIPAL DEBT

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued</u>			
General bonds and notes	\$11,264,285	\$14,155,954	\$11,380,546
Less:			
Funds on hand to pay bonds and notes	<u>-</u>	<u>2,949,954</u>	<u>-</u>
Net debt issued	11,264,285	11,206,000	11,380,546
<u>Authorized but not Issued</u>			
General bonds and notes	<u>-</u>	<u>-</u>	<u>-</u>
Net bonds and notes issued and authorized but not issued	<u>\$11,264,285</u>	<u>\$11,206,000</u>	<u>\$11,380,546</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 0.563%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School	\$22,200,000	\$22,200,000	-
Regional School	1,989,844	1,989,844	-
General Debt	<u>14,243,458</u>	<u>2,979,173</u>	<u>\$11,264,285</u>
	<u>\$38,433,302</u>	<u>\$27,169,017</u>	<u>\$11,264,285</u>

Net Debt \$11,264,285 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$1,999,624,950 equals 0.563%.

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

3½% of Equalized Valuation Basis	\$69,986,873
Net Debt	<u>11,264,285</u>
Remaining Borrowing Power	<u>\$58,722,588</u>

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Municipal	\$.789	\$.789	\$.761
Local School	.721	.736	.724
Regional School	.406	.420	.429
County	.307	.311	.311
Total tax rate	<u>\$2.223</u>	<u>\$2.256</u>	<u>\$2.225</u>

ASSESSED VALUATIONS

2015	\$2,091,909,634
2014	2,018,248,527
2013	2,030,878,034

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>
2015	\$46,793,932	\$46,058,657	98.43%
2014	45,610,277	44,577,984	97.74%
2013	45,363,405	44,095,089	97.20%

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>2015</u>	<u>2014</u>	<u>2013</u>
Tax title liens	\$103,664	\$94,268	\$80,902
Delinquent taxes	<u>691,236</u>	<u>439,293</u>	<u>309,762</u>
Total delinquent	<u>\$794,900</u>	<u>\$533,561</u>	<u>\$390,664</u>
% of tax levy	1.70%	1.17%	0.86%

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>
2015	\$201,300
2014	201,300
2013	201,300

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Succeeding Budget</u>
2015	\$3,332,244	\$2,650,000
2014	3,008,797	2,550,000
2013	3,056,564	2,550,000

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
Dennis J. Connelly	Mayor
Donna Mazzella-Diedrichsen	Councilwoman
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 (1/1/15-7/1/15)
Julie Martin	Clerk and Assessment Searcher (9/7/15-12/31/15)
Patricia De Ponti	Tax Collector and Tax Searcher
Lesley Connolly	Chief Financial Officer and Treasurer (1/1/15-5/24/15)
Dena Amodea	Chief Financial Officer and Treasurer (5/25/15-12/31/15)
Richard Thompson	Magistrate
Corrinne DiCorcia	Deputy Clerk

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

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART IV

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

Other Internal Control and Compliance Matters

#2015-001

Comment

Although subsidiary records were maintained for delinquent property taxes receivable, we noted that delinquent property taxes receivable financial transactions were not reconciled in the general ledger.

Recommendation

We recommend that delinquent property taxes receivable financial transactions be recorded in the general ledger and reconciled to subsidiary records.

#2015-002

Comment

We noted that there were certain prior year grant receivable and appropriated reserve balances in the federal and state grant fund that should be reviewed as to current status.

Recommendation

We recommend that prior year grant receivable and appropriated reserve balances in the federal and state grant fund be reviewed as to current status.

Status of Prior Year Recommendations

The Borough has resolved all prior year recommendations.