

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
YEAR ENDED DECEMBER 31, 2015**

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COUNTY OF MONMOUTH, NEW JERSEY
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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Tinton Falls
County of Monmouth
Tinton Falls, New Jersey 07724

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Tinton Falls, County of Monmouth, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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. 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 discussed in Note 1 to the financial statements, the Tinton Falls, Borough of prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws 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, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust 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 nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 5.88% and 6.66% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2015 and 2014.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Tinton Falls, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Borough of Tinton Falls adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds 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 is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2016, on our consideration of the Borough of Tinton Falls'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 of Tinton Falls's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 2, 2016

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

The Honorable Mayor and Members
of the Borough Council
Borough of Tinton Falls
County of Monmouth
Tinton Falls, New Jersey 07724

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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Borough of Tinton Falls as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 2, 2016.

Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1 .

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund ("LOSAP") Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the year ended December 31, 2015. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. 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 Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

June 2, 2016
Freehold, New Jersey

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	A-4	\$ 12,700,164.52	\$ 12,652,307.25
Cash - Change Fund	A-5	825.00	825.00
Due From State of New Jersey - Seniors' and Veterans' Deductions	A-6	4,567.91	1,567.91
		<u>12,705,557.43</u>	<u>12,654,700.16</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	654,794.99	550,370.06
Tax Title Liens Receivable	A-8	52,128.48	38,176.13
Debris Liens Receivable	A-9	563.09	585.20
Revenue Accounts Receivable	A-10	36,406.99	48,950.20
Due From Fire/EMS/School - Fuel		5,651.75	-
		<u>749,545.30</u>	<u>638,081.59</u>
Deferred Charges:			
Special Emergency Authorizations	A-11	-	110,203.44
		<u>13,455,102.73</u>	<u>13,402,985.19</u>
Grant Fund:			
Cash	A-4	348,517.09	131,970.45
Grants Receivable	A-22	291,900.00	535,485.21
Total Grant Fund		<u>640,417.09</u>	<u>667,455.66</u>
Total Assets		<u>\$ 14,095,519.82</u>	<u>\$ 14,070,440.85</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3	\$ 849,624.84	\$ 987,921.95
Encumbrances Payable	A-3	397,110.98	358,147.68
Accounts Payable	A-13	117,739.02	117,739.02
County Taxes Payable	A-14	80,835.08	70,278.58
Prepaid Taxes	A-15	373,309.87	256,443.17
Tax Overpayments	A-16	12,682.94	18,707.89
Regional District School Tax Payable	A-17	2,265,847.03	2,449,339.82
Regional District High School Tax Payable	A-18	3,792,216.47	3,607,711.05
Due to State of NJ	A-21	12,537.00	16,660.00
		7,901,903.23	7,882,949.16
Reserve for Receivables	A	749,545.30	638,081.59
Fund Balance	A-1	4,803,654.20	4,881,954.44
		13,455,102.73	13,402,985.19
Grant Fund:			
Encumbrances Payable	A-23	53,392.28	12,362.35
Reserve for Grants:			
Appropriated	A-23	583,911.95	569,091.84
Unappropriated	A-24	3,112.86	86,001.47
Total Grant Fund		640,417.09	667,455.66
Total Liabilities, Reserves and Fund Balance		\$ 14,095,519.82	\$ 14,070,440.85

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 3,750,000.00	\$ 3,950,000.00
Miscellaneous Revenue Anticipated	A-2	6,663,730.90	7,774,709.48
Receipts From Delinquent Taxes	A-2	550,003.42	564,756.62
Receipts From Current Taxes	A-2,4-A	60,405,342.54	58,586,370.54
Non-Budget Revenue	A-2,1-A	930,407.54	1,143,842.86
Other Credit To Income:			
Unexpended Balance of Appropriation Reserves	A-12	859,715.63	558,817.76
Grant Appropriations Cancellation	A-23	24,054.35	-
Due From Fire/EMS/School - Fuel	A,1-A	-	10,190.84
Total Revenue		<u>73,183,254.38</u>	<u>72,588,688.10</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	10,742,612.00	10,231,727.00
Other Expenses	A-3	7,084,987.00	7,072,949.00
Deferred Charges and Statutory	A-3	2,312,615.00	2,164,834.00
Appropriations Excluded From "CAPS":			
Operations:			
Other Expenses	A-3	580,602.89	1,420,608.43
Capital Improvements	A-3	121,700.00	157,071.41
Municipal Debt Service	A-3	2,445,642.03	2,619,272.13
Deferred Charges	A-3	110,203.44	250,000.00
County Taxes	A-14	9,410,531.03	9,306,881.69
Regional District School Tax	A-17	21,878,336.00	20,966,123.00
Regional District High School Tax	A-18	12,124,896.00	11,755,886.00
Municipal Open Space Tax	A-19	663,655.49	613,963.60
Special District Taxes	A-20	1,868,637.00	1,907,039.00
Due From State of New Jersey - Senior			
Citizens' Deductions Disallowed	A-6	2,056.16	2,123.28
Due From Fire/EMS/School - Fuel	A,1-A	-	-
Grant Receivables Canceled	A-22	15,351.95	-
Refund of Prior Year Revenue		-	18,396.50
Prior Year Tax Appeal Refunds		144,076.88	51,885.57
Receivable from Other Entities-Fuel		5,651.75	-
Total Expenditures		<u>69,511,554.62</u>	<u>68,538,760.61</u>
Excess in Revenue		3,671,699.76	4,049,927.49
Fund Balance, January 1		<u>4,881,954.44</u>	<u>4,782,026.95</u>
		8,553,654.20	8,831,954.44
Decreased By:			
Utilized as Anticipated Revenue		<u>3,750,000.00</u>	<u>3,950,000.00</u>
Fund Balance, December 31		<u><u>\$ 4,803,654.20</u></u>	<u><u>\$ 4,881,954.44</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 3,750,000.00	\$ -	\$ 3,750,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	35,000.00	-	37,680.00	2,680.00
Other	20,000.00	-	38,905.80	18,905.80
Fees and Permits	325,000.00	-	374,746.81	49,746.81
Fines and Costs:				
Municipal Court	675,000.00	-	581,227.80	(93,772.20)
Interest and Costs on Taxes	109,000.00	-	118,299.45	9,299.45
Interest on Investments and Deposits	40,000.00	-	45,140.18	5,140.18
Commercial Garbage Fees	65,000.00	-	60,810.00	(4,190.00)
Energy Receipts Tax	1,490,459.00	-	1,490,459.00	-
Uniform Construction Code Fees	318,000.00	-	661,194.00	343,194.00
Host Municipalities Act	1,600,000.00	-	1,882,197.58	282,197.58
Franchise Fees	265,000.00	-	265,096.54	96.54
Open Space Trust:				
Interest on Notes	13,014.00	-	13,014.00	-
Bond Principal	86,106.02	-	86,106.02	-
Interest on Bonds	57,031.98	-	57,031.98	-
Hotel Occupancy Tax	340,000.00	-	379,126.58	39,126.58
Capital Surplus	6,000.00	-	6,000.00	-
PILOT - CommVault	189,000.00	-	190,184.00	1,184.00
Municipal Court Services - Monmouth Beach & Eatontown	145,000.00	-	209,638.27	64,638.27
Public and Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	82,048.77	-	82,048.77	-
Ranney School	30,000.00	-	30,000.00	-
Body Armor Replacement Fund	3,789.70	3,687.77	7,477.47	-
Clean Communities Program	-	44,346.65	44,346.65	-
NJ Dep Green Communities Grant	-	3,000.00	3,000.00	-
Total Miscellaneous Revenues	5,894,449.47	51,034.42	6,663,730.90	718,247.01
Receipts From Delinquent Taxes	450,000.00	-	550,003.42	100,003.42
Property Taxes for Support of Municipal				
Budget Appropriations:				
Local Tax for Municipal Purposes	14,093,839.51	-	14,700,245.09	606,405.58
Budget Totals	24,188,288.98	51,034.42	25,663,979.41	1,424,656.01
Non-Budget Revenue	-	-	930,407.54	930,407.54
	<u>\$ 24,188,288.98</u>	<u>\$ 51,034.42</u>	<u>\$ 26,594,386.95</u>	<u>\$ 2,355,063.55</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	\$ 60,405,342.54
Allocated To School, County, and Municipal Open Space Taxes	<u>46,546,055.52</u>
Balance for Support of Municipal Budget Appropriations	13,859,287.02
Add: Appropriation "Reserve for Uncollected Taxes"	<u>840,958.07</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 14,700,245.09</u></u>

Receipts From Delinquent Taxes:

Delinquent Tax Collections	<u><u>\$ 550,003.42</u></u>
----------------------------	-----------------------------

Fees & Permits:

Building	\$ 105,045.00
Police	41,251.00
Zoning	19,241.38
Planning	6,996.03
Recreation	199,146.40
Other Fees/Permits	<u>3,067.00</u>
	<u><u>\$ 374,746.81</u></u>

Miscellaneous Revenue Not Anticipated:

Payment in Lieu of Taxes:

Ranney School	\$ 35,749.09
Tinton Falls Senior L.P.	35,625.00
Pines II at Tinton Falls	52,387.00
Meadowbrook II	43,336.00
Sycamore Manor	107,900.00
Pine I at Tinton Falls	47,413.83
FEMA Reimbursements	23,973.70
State of New Jersey Fire Safety Bureau	36,119.89
Fire Prevention Fees	94,779.00
Debris Liens	2,356.28
State of New Jersey Inspection Fines	3,782.17
Sale of Scrap	28,243.23
6% Interest - Tax Penalty	5,105.30
Sale of Garbage Cans	1,344.00
Prior Year Reimbursements	9,617.17
Development Impact Fees	380,000.00
NSF Check Fees	360.00
Copies	15.85
Postage	161.21
Municipal Court Reconciling Items	2,205.00
Inspection Fees - Street Openings	5,100.00
Senior Citizen & Vets Admin Fees	2,293.88
Miscellaneous	<u>12,539.94</u>
	<u><u>\$ 930,407.54</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
General Appropriations						
Operations - Within "CAPS"						
GENERAL APPROPRIATIONS						
Borough Council:						
Salaries and Wages	23,001.00	23,001.00	23,000.38	-	0.62	-
Other Expenses	5,940.00	5,940.00	589.00	-	5,351.00	-
Office of the Mayor:						
Salaries and Wages	6,001.00	6,001.00	6,000.02	-	0.98	-
Other Expenses	8,000.00	8,000.00	2,105.64	25.00	5,869.36	-
Municipal Clerk:						
Salaries and Wages	147,000.00	147,000.00	144,961.26	-	2,038.74	-
Other Expenses	56,960.00	56,960.00	41,410.93	6,229.30	9,319.77	-
Office of the Tax Assessor:						
Salaries and Wages	126,000.00	126,000.00	111,491.32	-	14,508.68	-
Other Expenses	59,625.00	59,625.00	9,604.73	44,985.26	5,035.01	-
Division of Administration:						
Salaries and Wages	370,000.00	370,000.00	368,616.42	-	1,383.58	-
Other Expenses	91,270.00	91,270.00	40,969.21	9,279.65	41,021.14	-
Human Resources:						
Salaries and Wages	100,100.00	100,100.00	100,085.18	-	14.82	-
Other Expenses	1,980.00	1,980.00	1,613.09	23.50	343.41	-
Division of Central Services:						
Salaries and Wages	121,000.00	121,000.00	117,678.08	-	3,321.92	-
Other Expenses:						
Miscellaneous Other Expenses						
Division of Engineering:						
Other Expenses	47,400.00	47,400.00	45,273.46	342.88	1,783.66	-
Historical Sites Office:						
	110,000.00	125,000.00	118,392.10	6,607.90	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Paid or Charged	Expended		
	Original Budget	Budget After Modifications		Encumbered	Reserved	Cancelled
Other Expenses	5,000.00	5,000.00	296.92	-	4,703.08	-
Division of Law:						
Salaries and Wages	168,000.00	168,000.00	162,966.15	-	5,033.85	-
Other Expenses	130,000.00	130,000.00	35,203.52	59,713.40	35,083.08	-
Division of Central Maintenance:						
Salaries and Wages	423,000.00	425,000.00	414,328.09	-	10,671.91	-
Other Expenses	302,607.00	332,607.00	297,749.65	24,645.77	10,211.58	-
Division of Streets:						
Salaries and Wages	458,100.00	473,100.00	472,054.15	-	1,045.85	-
Other Expenses	191,005.00	206,005.00	180,287.19	18,237.68	7,480.13	-
Division of Sanitation:						
Salaries and Wages	1,208,500.00	1,176,500.00	1,078,628.99	-	97,871.01	-
Other Expenses:						
Landfill/Solid Waste Disposal Costs	71,500.00	71,500.00	58,905.35	3,500.00	9,094.65	-
Miscellaneous Other Expenses	27,130.00	27,130.00	14,132.01	3,260.74	9,737.25	-
Division of Buildings and Grounds:						
Salaries and Wages	314,000.00	314,000.00	288,799.70	-	25,200.30	-
Other Expenses	95,872.00	95,872.00	78,391.03	11,387.39	6,093.58	-
Maintenance of Parks:						
Salaries and Wages	379,000.00	379,000.00	373,204.44	-	5,795.56	-
Other Expenses	45,125.00	45,125.00	42,567.66	1,273.25	1,284.09	-
Shade Tree:						
Other Expenses	1,400.00	1,400.00	218.98	-	1,181.02	-
Community Services Act:						
Other Expenses	75,000.00	75,000.00	69,446.00	-	5,554.00	-
Police:						
Salaries and Wages	4,654,000.00	4,654,000.00	4,623,936.37	-	30,063.63	-
Other Expenses	279,765.00	279,765.00	254,734.24	24,972.33	58.43	-
Division of Emergency Management:						

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Paid or Charged	Expended		
	Original Budget	Budget After Modifications		Encumbered	Reserved	Cancelled
Salaries and Wages	61,000.00	61,000.00	57,810.12	-	3,189.88	-
Other Expenses	51,785.00	51,785.00	27,215.21	6,723.27	17,846.52	-
Municipal Prosecutor:						
Salaries and Wages	38,005.00	38,005.00	38,000.04	-	4.96	-
Other Expenses	4,000.00	4,000.00	-	-	4,000.00	-
Division of Finance:						
Salaries and Wages	242,000.00	242,000.00	234,318.86	-	7,681.14	-
Other Expenses:						
Miscellaneous Other Expenses	11,155.00	11,155.00	9,972.37	439.68	742.95	-
Auditing Services	28,500.00	28,500.00	-	28,500.00	-	-
Division of Revenue:						
Salaries and Wages	185,000.00	188,000.00	186,370.08	-	1,629.92	-
Other Expenses	18,650.00	18,650.00	11,877.78	345.92	6,426.30	-
Division of Health:						
Other Expenses:						
First Aid	100,000.00	100,000.00	100,000.00	-	-	-
Miscellaneous Other Expenses	141,000.00	141,000.00	140,600.00	-	400.00	-
Environmental Health Services:						
Other Expenses	35,100.00	35,100.00	31,476.00	-	3,624.00	-
Contribution To Social Service Agencies:						
Other Expenses	19,700.00	19,700.00	16,030.00	-	3,670.00	-
Alliance Program:						
Other Expenses	6,700.00	6,700.00	6,700.00	-	-	-
Division of Recreation:						
Salaries and Wages	327,400.00	347,400.00	338,626.57	-	8,773.43	-
Other Expenses	174,210.00	174,210.00	138,345.66	17,564.79	18,299.55	-
Municipal Library:						
Other Expenses	137,700.00	137,700.00	112,150.00	25,550.00	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Division of Housing:						
Other Expenses	28,000.00	28,000.00	58.00	25,000.00	2,942.00	-
Division of Planning:						
Salaries and Wages	58,000.00	58,000.00	24,440.68	-	33,559.32	-
Other Expenses	41,915.00	41,915.00	13,549.62	21,975.23	6,390.15	-
Division of Zoning:						
Salaries and Wages	70,000.00	70,000.00	59,558.50	-	10,441.50	-
Other Expenses	33,328.00	33,328.00	19,329.72	10,249.17	3,749.11	-
Division of Code Enforcement:						
Salaries and Wages	166,000.00	170,000.00	169,421.80	-	578.20	-
Other Expenses	4,330.00	4,330.00	2,357.06	153.53	1,819.41	-
Division of Fire Prevention:						
Salaries and Wages	170,000.00	170,000.00	155,365.59	-	14,634.41	-
Other Expenses	7,230.00	7,230.00	3,913.12	1,729.18	1,587.70	-
Animal Control Services:						
Other Expenses	25,725.00	25,725.00	25,725.00	-	-	-
Municipal Court:						
Salaries and Wages	507,000.00	507,000.00	493,929.65	-	13,070.35	-
Other Expenses	30,185.00	30,185.00	23,897.16	5,493.18	794.66	-
Public Defender:						
Salaries and Wages	21,505.00	21,505.00	21,500.18	-	4.82	-
Other Expenses	800.00	800.00	-	-	800.00	-
Public Employees Occupational Safety and Health Act:						
Other Expenses	3,500.00	3,500.00	238.50	-	3,261.50	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Paid or Charged	Expended		
	Original Budget	Budget After Modifications		Encumbered	Reserved	Cancelled
INSURANCE						
Group Insurance	3,050,000.00	3,018,000.00	2,951,401.85	-	66,598.15	-
Liability Insurance	303,000.00	303,000.00	303,000.00	-	-	-
Unemployment Insurance	50,000.00	50,000.00	50,000.00	-	-	-
Workers Compensation	246,000.00	246,000.00	246,000.00	-	-	-
UNIFORM CONSTRUCTION CODE APPROPRIATIONS						
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code:						
Salaries and Wages	387,000.00	387,000.00	375,920.81	-	11,079.19	-
Other Expenses	9,970.00	9,970.00	8,566.55	983.83	419.62	-
UNCLASSIFIED						
Electricity	177,000.00	177,000.00	146,598.51	8,608.32	21,793.17	-
Street Lighting	116,000.00	116,000.00	95,497.48	7,646.48	12,856.04	-
Telephone	123,000.00	123,000.00	122,874.73	-	125.27	-
Water	10,000.00	10,000.00	5,781.42	-	4,218.58	-
Gas	55,000.00	55,000.00	43,307.78	250.80	11,441.42	-
Fuel Oil	320,000.00	280,000.00	210,889.81	9,000.00	60,110.19	-
Telecommunications	77,925.00	77,925.00	58,812.20	1,195.78	17,917.02	-
Accumulated Leave Compensation	50,000.00	50,000.00	50,000.00	-	-	-
Total Operations - Within "CAPS"	17,827,599.00	17,827,599.00	16,709,069.67	385,893.21	732,636.12	-
Detail:						
Salaries and Wages	10,730,612.00	10,742,612.00	10,441,013.43	-	301,598.57	-
Other Expenses	7,096,987.00	7,084,987.00	6,268,056.24	385,893.21	431,037.55	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
Statutory Expenditures:						
Contribution To:						
Public Employees Retirement System	550,733.00	550,733.00	550,733.00	-	-	-
Social Security System (O.A.S.I.)	775,000.00	775,000.00	736,276.70	-	38,723.30	-
Police and Firemen's Retirement System of N.J	981,882.00	981,882.00	981,882.00	-	-	-
Defined Contribution Retirement Program	5,000.00	5,000.00	-	-	5,000.00	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	2,312,615.00	2,312,615.00	2,268,891.70	-	43,723.30	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	20,140,214.00	20,140,214.00	18,977,961.37	385,893.21	776,359.42	-
Other Operations - Excluded from "CAPS":						
Emergency Telecommunications System - 911 System	25,522.00	25,522.00	25,521.93	-	0.07	-
LOSAP - Volunteer Ambulance	46,005.00	46,005.00	-	-	46,005.00	-
NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):						
Division of Streets:						
Other Expenses	14,075.00	14,075.00	9,007.98	3,774.57	1,292.45	-
Recycling Tax	3,000.00	3,000.00	2,060.19	100.00	839.81	-
Total Other Operations - Excluded from "CAPS"	88,602.00	88,602.00	36,590.10	3,874.57	48,137.33	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Interlocal Municipal Service Agreements:						
County of Monmouth:						
Police Dispatching Services	225,268.00	225,268.00	225,267.30	-	0.70	-
Municipal Court - Monmouth Beach & Eatontown	95,000.00	95,000.00	70,521.07	4,593.20	19,885.73	-
Total Interlocal Municipal Service Agreements	320,268.00	320,268.00	295,788.37	4,593.20	19,886.43	-
Public and Private Programs Offset By Revenues:						
SFSP Fire District Payment	4,860.00	4,860.00	4,860.00	-	-	-
Body Armor Replacement Fund	3,789.70	7,477.47	7,477.47	-	-	-
Green Communities	-	3,000.00	3,000.00	-	-	-
Ranney School Policing Services	30,000.00	30,000.00	30,000.00	-	-	-
Recycling Tonnage Grant	82,048.77	82,048.77	82,048.77	-	-	-
Clean Communities Program	-	44,346.65	44,346.65	-	-	-
Total Public and Private Programs Offset By Revenues	120,698.47	171,732.89	171,732.89	-	-	-
Total Operations - Excluded from "CAPS"	529,568.47	580,602.89	504,111.36	8,467.77	68,023.76	-
Detail:						
Other Expenses	529,568.47	580,602.89	504,111.36	8,467.77	68,023.76	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Capital Improvements - Excluded From "CAPS":						
Capital Improvement Fund	45,000.00	45,000.00	45,000.00	-	-	-
Purchase of Automated Refuse Containers	25,000.00	25,000.00	23,366.80	-	1,633.20	-
Historic - Crawford House	11,700.00	11,700.00	5,341.54	2,750.00	3,608.46	-
Improvements to Library	40,000.00	40,000.00	40,000.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	121,700.00	121,700.00	113,708.34	2,750.00	5,241.66	-
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,597,000.00	1,597,000.00	1,597,000.00	-	-	-
Interest on Bonds	789,630.00	789,630.00	789,628.26	-	-	1.74
Interest on Notes	13,014.00	13,014.00	13,013.75	-	-	0.25
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	46,001.00	46,001.00	46,000.02	-	-	0.98
Total Municipal Debt Service - Excluded From "CAPS"	2,445,645.00	2,445,645.00	2,445,642.03	-	-	2.97
Deferred Charges - Municipal - Excluded From "CAPS":						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S 40A:4-55)	110,203.44	110,203.44	110,203.44	-	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	110,203.44	110,203.44	110,203.44	-	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Paid or Charged	Expended		
	Original Budget	Budget After Modifications		Encumbered	Reserved	Cancelled
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	3,207,116.91	3,258,151.33	3,173,665.17	11,217.77	73,265.42	2.97
Subtotal General Appropriations	23,347,330.91	23,398,365.33	22,151,626.54	397,110.98	849,624.84	2.97
Reserve for Uncollected Taxes	840,958.07	840,958.07	840,958.07	-	-	-
Total General Appropriations	\$ 24,188,288.98	\$ 24,239,323.40	\$ 22,992,584.61	\$ 397,110.98	\$ 849,624.84	\$ 2.97
Budget as Adopted	\$ 24,188,288.98					
Added by N.J.S. 40A:4-87		51,034.42				
Analysis of Paid or Charged:		\$ 24,239,323.40				
Reserve for Uncollected Taxes		\$ 840,958.07				
Cash Disbursed		21,869,690.21				
Deferred Charges:						
Special Emergency Authorizations		110,203.44				
Reserve for Appropriated Grants		171,732.89				
		\$ 22,992,584.61				

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Animal Control Trust Fund:			
Cash - Treasurer	B-1	\$ 7,116.43	\$ 5,561.43
Cash - Change Fund	B	30.00	30.00
		<u>7,146.43</u>	<u>5,591.43</u>
Open Space Trust:			
Cash - Treasurer	B-1	1,190,981.23	1,058,658.62
		<u>1,190,981.23</u>	<u>1,058,658.62</u>
Other Trust Funds:			
Cash - Treasurer	B-1	5,308,360.69	4,565,364.34
CDBG Grant Funds Receivable	B-2	-	75,585.00
Mortgage Receivable	B	300,000.00	300,000.00
		<u>5,608,360.69</u>	<u>4,940,949.34</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	B-8	424,983.71	428,791.46
Total Assets		<u>\$ 7,231,472.06</u>	<u>\$ 6,433,990.85</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Trust Fund:			
Encumbrances Payable	B-4	\$ 2,559.00	\$ 2,851.00
Reserve for Animal Control Fund Expenditures	B-4	4,583.23	2,740.43
Due to State of New Jersey	B-3	4.20	-
		<u>7,146.43</u>	<u>5,591.43</u>
Open Space Trust Fund:			
Reserve for Open Space	B-5	949,382.01	1,052,915.68
Encumbrances Payable	B-6	241,599.22	5,742.94
		<u>1,190,981.23</u>	<u>1,058,658.62</u>
Other Trust Funds:			
Encumbrances Payable	B-7	19,957.80	31,481.39
Reserve for Miscellaneous Trust Funds	B-7	5,288,402.89	4,609,467.95
Mortgage Receivable	B	300,000.00	300,000.00
		<u>5,608,360.69</u>	<u>4,940,949.34</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Miscellaneous Reserves	B-9	424,983.71	428,791.46
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,231,472.06</u>	<u>\$ 6,433,990.85</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Cash and Investments	C-2,C-3	\$ 1,813,757.80	\$ 2,840,419.08
Deferred Charges To Future Taxation:			
Funded	C-4	18,947,642.68	20,588,628.96
Unfunded	C-5	3,464,271.00	3,845,091.00
Total Assets		<u>\$ 24,225,671.48</u>	<u>\$ 27,274,139.04</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-6	\$ 18,880,000.00	\$ 20,477,000.00
Bond Anticipation Notes	C-7	2,821,000.00	2,900,000.00
Green Trust Loan Program	C-8	67,642.68	111,628.96
Accounts Payable	C-9	-	4,200.00
Encumbrances Payable	C-10	403,548.08	1,395,483.06
Improvement Authorizations:			
Funded	C-10	1,113,850.93	1,460,860.45
Unfunded	C-10	643,694.43	727,288.47
Capital Improvement Fund	C-11	74,477.00	29,477.00
Miscellaneous Reserves	C-12	216,277.41	161,220.15
Fund Balance	C-1	5,180.95	6,980.95
Total Liabilities, Reserves and Fund Balance		<u>\$ 24,225,671.48</u>	<u>\$ 27,274,139.04</u>

There were Bonds & Notes Authorized but not Issued on December 31, 2015 of \$643,271.00 and on December 31, 2014 was \$945,091.00.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	\$ 6,980.95
Increased By:	
Cancel Accounts Payable	<u>4,200.00</u>
	11,180.95
Decreased By:	
Anticipated as Revenue - Current Fund	<u>6,000.00</u>
Balance, December 31, 2015	<u><u>\$ 5,180.95</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	3,255,605.96	2,850,174.53
Cash - Change Fund	D	<u>50.00</u>	<u>50.00</u>
		<u>3,255,655.96</u>	<u>2,850,224.53</u>
Receivables With Full Reserves:			
Sewer Rent Receivable	D-7	<u>142,147.12</u>	<u>133,812.64</u>
Total Operating Fund		<u>3,397,803.08</u>	<u>2,984,037.17</u>
Capital Fund:			
Cash	D-5,D-6	347,159.29	25,672.88
Fixed Capital	D-8	9,939,652.43	9,939,652.43
Fixed Capital Authorized and Completed	D-9	<u>930,000.00</u>	<u>930,000.00</u>
Total Capital Fund		<u>11,216,811.72</u>	<u>10,895,325.31</u>
Total Assets		<u>\$ 14,614,614.80</u>	<u>\$ 13,879,362.48</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	D-4	\$ 439,488.52	\$ 417,109.79
Encumbrances Payable	D-4	256,064.79	130,423.57
Accounts Payable	D-11	-	26,000.00
Prepaid Sewer Rents	D-12	366,343.40	573,960.07
Prepaid Connection Fee	D	-	2,673.44
Overpaid Sewer Rents	D	-	379.09
		<u>1,061,896.71</u>	<u>1,150,545.96</u>
Reserve for Receivables	D	142,147.12	133,812.64
Fund Balance	D-1	<u>2,193,759.25</u>	<u>1,699,678.57</u>
Total Operating Fund		<u>3,397,803.08</u>	<u>2,984,037.17</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-13	4,106.78	4,106.78
Unfunded	D-13	-	400,000.00
Encumbrances Payable	D-13	338,373.87	16,887.46
Reserve for:			
Amortization	D-14	9,939,652.43	9,939,652.43
Deferred Amortization	D-15	930,000.00	530,000.00
Fund Balance	D-2	<u>4,678.64</u>	<u>4,678.64</u>
Total Capital Fund		<u>11,216,811.72</u>	<u>10,895,325.31</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 14,614,614.80</u>	<u>\$ 13,879,362.48</u>

There were Bonds & Notes Authorized but not Issued on December 31, 2015 of \$0 and on December 31, 2014 was \$400,000.

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 1,350,000.00	\$ 575,000.00
Sewer Rents	D-3	3,873,031.06	3,906,253.15
Reserve for Connection Fees	D-3	-	96,205.76
Non-Budget Revenue	D-3	1,361,208.63	912,200.05
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	D-10	392,443.37	238,005.07
Accounts payable Cancelled	D-11	24,332.21	2,000.00
Cancellation of Sewer Overpayments	D	357.41	-
Total Revenue		<u>7,001,372.68</u>	<u>5,729,664.03</u>
Expenditures:			
Operating	D-4	4,346,412.00	4,184,651.00
Capital Improvements	D-4	300,000.00	30,000.00
Debt Service	D-4	-	85,294.00
Deferred Charges and Statutory Expenditures	D-4	510,880.00	100,030.00
Total Expenditures		<u>5,157,292.00</u>	<u>4,399,975.00</u>
Excess in Revenue		1,844,080.68	1,329,689.03
Fund Balance, January 1	D	1,699,678.57	944,989.54
		3,543,759.25	2,274,678.57
Decreased By:			
Utilized as Anticipated Revenue	D-1	1,350,000.00	575,000.00
Fund Balance, December 31		<u>\$ 2,193,759.25</u>	<u>\$ 1,699,678.57</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 and 2014

\$ 4,678.64

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Utilized	\$ 1,350,000.00	\$ 1,350,000.00	\$ -
Sewer Rents	3,807,292.00	3,873,031.06	65,739.06
Reserve for Connection Fees	-	-	-
Miscellaneous Revenue Not Anticipated	-	1,361,208.63	1,361,208.63
	<u>\$ 5,157,292.00</u>	<u>\$ 6,584,239.69</u>	<u>\$ 1,426,947.69</u>

Analysis of Realized Revenues

Sewer Rents:

Collections	\$ 3,299,070.99
Prepaid Sewer Rents Applied	<u>573,960.07</u>
	<u>\$ 3,873,031.06</u>

Miscellaneous:

Interest on Investments	\$ 6,755.21
Delinquent Charges	24,945.45
Sewer Connection Charge	1,206,623.69
Miscellaneous Revenue	<u>122,884.28</u>
	<u>\$ 1,361,208.63</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Cancelled</u>
Operating:					
Salaries and Wages	\$ 640,000.00	\$ 640,000.00	\$ 558,050.97	\$ -	\$ 81,949.03
Other Expenses	3,706,412.00	3,706,412.00	3,317,575.36	53,807.14	335,029.50
Total Operating	4,346,412.00	4,346,412.00	3,875,626.33	53,807.14	416,978.53
Capital Improvements:					
Capital Outlay	300,000.00	300,000.00	78,972.51	202,257.65	18,769.84
Total Capital Improvements	300,000.00	300,000.00	78,972.51	202,257.65	18,769.84
Deferred Charges:					
Cost of Improvements Previously Authorized: Ord 14-1376	400,000.00	400,000.00	400,000.00	-	-
Total Deferred Charges	400,000.00	400,000.00	400,000.00	-	-
Statutory Expenditures: Contributions To:					
Public Employees' Retirement System	62,000.00	62,000.00	62,000.00	-	-
Social Security System (O.A.S.I.)	47,500.00	47,500.00	43,759.85	-	3,740.15
Unemployment Compensation Insurance	1,380.00	1,380.00	1,380.00	-	-
Total Statutory Expenditures	110,880.00	110,880.00	107,139.85	-	3,740.15
Total Sewer Utility Appropriations	\$ 5,157,292.00	\$ 5,157,292.00	\$ 4,461,738.69	\$ 256,064.79	\$ 439,488.52

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Land	E-1	\$ 18,721,988.85	\$ 18,212,388.85
Buildings	E-1	24,936,207.62	24,936,207.62
Improvements Other Than Buildings	E-1	41,291.65	41,291.65
Machinery and Equipment	E-1	<u>10,410,387.92</u>	<u>10,455,089.55</u>
Total Assets		<u><u>\$ 54,109,876.04</u></u>	<u><u>\$ 53,644,977.67</u></u>
 <u>Fund Balance</u>			
Investment in Fixed Assets	E-1	<u>\$ 54,109,876.04</u>	<u>\$ 53,644,977.67</u>
Fund Balance		<u><u>\$ 54,109,876.04</u></u>	<u><u>\$ 53,644,977.67</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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BOROUGH OF TINTON FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Borough was formed as New Shrewsbury by an act of the New Jersey Legislature on August 15, 1950, based on the results of a referendum held on July 18, 1950, after breaking away from Shrewsbury Township. It was renamed "Tinton Falls" in 1975. As of the 2010 United States Census, the Borough's population was 17,892. The Borough has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibilities rest with the Mayor, who is assisted by the Borough Clerk.

Component Units

The Borough of Tinton Falls had no component units as defined by Governmental Accounting Standards Board Statement No. 14 and as amended by GASB 39 and 61.

Basis of Accounting, Measurement Focus and Basis of Presentation

The financial statements of the Borough of Tinton Falls contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Tinton Falls accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Trust Funds – various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Sewer Utility Operating and Capital Funds - are used to account for sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the water/sewer utility to the general public be financed through user fees. Operations relating to the acquisition of sewer capital facilities are recorded within the Sewer Utility Capital Fund.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

General Fixed Asset Account Group - to account for fixed assets used in general government operations.

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than March 13 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the Borough. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40AA-9*. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies. *N.J.S.A.17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase. No depreciation has been recorded. Fixed Assets acquired through grants in and/or contributed capital has not been accounted for separately. Fixed Assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is valued at estimated market value.

Property and Equipment purchased by the Water and Sewer utility Fund are recorded in the capital account at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization are an accumulation of charges to operations for the costs of acquisitions of property, equipment and improvements. The utility fund does not record depreciation on fixed assets.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Monmouth and the Borough of Little Silver School District and the Red Bank Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Tinton Falls School District and the Monmouth Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31 and for the regional high school district the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

County Taxes - The Borough is responsible for levying, collecting, and remitting county taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid; however, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with *N.J.A.C.5:30-5.2*. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Volunteer Length of Service Award Plan - The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer First Aid Squad members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of Service Award Plan under Section 457(e)11 of the Internal Revenue Code".

The LOSAP Trust Fund has 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 nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements.

N.J.A.C.5:30-14.49 requires that the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accounts Statements for Accounting and Auditing Review Services.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Subsequent Events – The Township has evaluated subsequent events through June 2, 2016, the date the financial statements were available to be issued.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2015, the Borough implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statements requires the Borough to disclose its portion of the collective net pension's asset and liability of the New Jersey Public Employees' Retirement System (PERS) and the New Jersey Police Firemen's Retirement System (PFRS).

Note 2. Cash

The Borough is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2015, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	<u>\$ 24,971,633.01</u>
Total Deposits	<u><u>\$ 24,971,633.01</u></u>
Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:	
Current Fund	\$ 12,700,164.52
Grant Fund	348,517.09
Animal Control Trust Fund	7,116.43
Open Space Trust	1,190,981.23
Trust - Other Fund	5,308,360.69
General Capital Fund	1,813,757.80
Sewer Utility Operating Fund	3,255,605.96
Sewer Utility Capital Fund	<u>347,159.29</u>
Total Cash	<u><u>\$ 24,971,663.01</u></u>

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding 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 the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2. Cash (continued):

does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2015, the Borough's bank balances of \$25,893,639.38 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$ 8,278,661.73
Insured Under F.D.I.C.	750,000.00
New Jersey Cash Management	619,595.06
Collateralized Under GUDPA	<u>16,245,382.59</u>
Total	<u>\$ 25,893,639.38</u>

Note: 3: Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Borough, and are held by either the counterparty's trust department or agent but no in the Borough name. As of December 31, 2015 the Borough's balance of investments was \$428,791.46, which consisted of mutual funds for the Borough's Length of Service Awards Program in the amount of \$428,791.46, which are not exposed to custodial credit risk because the investments securities are registered in the Borough's name.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits investments that the Borough may purchase. The Borough does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Borough does not place a limit on the amount that may be invested in any one issuer. Of the total December 31, 2015 balance of \$424,983.71 all of it is recorded in the Trust Fund – LOSAP.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note: 4: Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	<u>\$2.007</u>	<u>\$2.097</u>	<u>\$1.960</u>
Apportionment of Tax Rate:			
Municipal	0.504	0.517	0.477
County	0.320	0.342	0.314
Local School District	0.768	0.804	0.763
Regional High School	0.415	0.434	0.406

Net Valuation Taxable:

2015	<u>\$ 2,924,903,485.00</u>	
2014	<u>\$ 2,707,366,172.00</u>	
2013		<u>\$ 2,758,923,296.00</u>

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$ 61,116,926.90	\$ 60,405,342.54	98.83%
2014	59,147,462.40	58,586,370.54	99.05%
2013	56,228,135.69	55,484,991.53	98.68%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2015	\$ 52,128.48	\$ 654,794.99	\$ 706,923.47	1.16%
2014	38,176.13	550,370.06	588,546.19	1.00%
2013	30,756.50	572,576.23	603,332.73	1.09%

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note: 5: Sewer Utility Service Charges

The following is a three-year comparison of sewer utility charges (rents) for the current and previous two years.

YEAR ENDED DECEMBER 31	BEGINNING RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2015	\$ 133,812.64	\$ 3,882,860.30	\$ 4,016,672.94	\$ 3,873,032.04	96.42%
2014	148,098.25	3,891,967.54	4,040,065.79	3,906,253.15	96.69%
2013	141,711.19	3,773,106.06	3,914,817.25	3,766,719.00	96.22%

Note: 6: Property Acquired By Tax Title Lien Liquidation

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2015.

Note: 7: Fund Balance Appropriated

The following schedule details the amount of fund balance available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2015	\$ 4,803,654.20	\$ 3,525,000.00	73.38%
2014	4,881,954.44	3,750,000.00	76.81%
2013	4,782,026.95	3,950,000.00	82.60%
2012	5,127,194.19	3,950,000.00	77.04%
2011	6,535,699.90	3,950,000.00	60.44%
SEWER UTILITY FUND:			
2015	\$ 2,193,759.25	\$ 900,000.00	41.03%
2014	1,699,678.57	1,350,000.00	79.43%
2013	944,989.54	575,000.00	60.85%
2012	617,588.45	480,000.00	77.72%
2011	513,839.59	480,000.00	93.41%

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$612,733 for 2015.

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough's proportionate share of the PERS net pension liability is valued to be \$16,661,687.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .07422%, which was a decrease of .00010% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 & December 31, 2014		
	12/31/2015	12/31/2014
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	16,661,687.00	13,915,864.00
Borough's Portion of the Plan's Total		
Net Pension Liability	0.07422%	0.07433%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$612,733.

Actuarial Assumptions – The collective 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. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40%
Inflation rate	Based on Age 3.04%

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members 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.

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, 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 Expected 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. 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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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 actuarially determined 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 Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 20,708,439.00	\$ 16,661,687.00	\$ 13,268,919.96

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

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

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Pension Obligations (continued):

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

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PFRS amounted to \$291,341.00 for 2015.

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

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

BOROUGH OF TINTON FALLS

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 8. Pension Obligations (continued):

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough's proportionate share of the PFRS net pension liability is valued to be \$21,041,857.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .12633%, which was an decrease of .00151% from its proportion measured as of June 30, 2014.

<u>Collective Balances at December 31, 2015 & December 31, 2014</u>		
	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	21,041,857.00	16,080,800.00
District's Portion of the Plan's Total		
Net Pension Liability	0.12633%	0.12784%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$1,845,300.00.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$1,845,300.00 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .12633%, which was an decrease of .00151% from its proportion measured as of June 30, 2014, which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 21,041,857.00
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>1,845,300.00</u>
Total Net Pension Liability	<u><u>\$ 22,887,157.00</u></u>

For the year ended December 31, 2015, the Borough's total allocated pension expense was \$2,059,884.

Actuarial Assumptions – The collective 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. This actuarial valuation used the following actuarial assumptions:

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Pension Obligations (continued):

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

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries 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.

Long-Term Expected 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. 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 real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of 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 Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Pension Obligations (continued):

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

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Borough's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Borough	\$ 9,952,517.81	\$ 7,549,409.00	\$ 5,589,888.48

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 9. Accumulated Absences

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. Effective for financial statements dated December 31, 1987, the state has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end. The Borough estimates the current cost of such unpaid compensation at December 31, 2015 to be \$1,363,309.29. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. The Trust Reserve for accumulated absences at December 31, 2015 totaled \$12,859.64.

Note 10. Deferred Compensation Salary Account

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 11. Regional District School and Regional High School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough has elected to defer school taxes as follows:

	Regional District School Tax		Regional High School Tax	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Balance of Tax	\$ 10,815,846.26	\$ 10,399,339.05	\$ 6,062,448.02	\$ 5,877,942.60
Deferred	8,549,999.23	7,949,999.23	2,270,231.55	2,270,231.55
Tax Payable	<u>\$ 2,265,847.03</u>	<u>\$ 2,449,339.82</u>	<u>\$ 3,792,216.47</u>	<u>\$ 3,607,711.05</u>

Note 12. Capital 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 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 such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the Borough at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 12. Capital Debt (continued):

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Issued			
General Bonds, Loans and Notes	\$ 21,768,642.68	\$ 23,488,628.96	\$ 25,108,982.53
Sewer Utility Bonds, Loans and Notes	-	-	85,000.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	21,768,642.68	23,488,628.96	25,193,982.53
	<hr/>	<hr/>	<hr/>
Authorized But Not Issued:			
General Bonds and Notes	643,271.00	945,091.00	2,614,091.00
Sewer Utility Bonds and Notes	-	400,000.00	-
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	643,271.00	1,345,091.00	2,614,091.00
	<hr/>	<hr/>	<hr/>
Total Gross Debt	<u>\$ 22,411,913.68</u>	<u>\$ 24,833,719.96</u>	<u>\$ 27,808,073.53</u>
	<hr/>	<hr/>	<hr/>
Deductions:			
Self-Liquidating Debt	\$ -	\$ (400,000.00)	\$ (85,000.00)
Open Space - Trust Fund Tax	(2,979,184.06)	(3,065,290.08)	(3,949,803.19)
Funds Temporarily Held to Play Bonds and Notes	-	-	(1,633,234.00)
	<hr/>	<hr/>	<hr/>
Total Deductions	(2,979,184.06)	(3,465,290.08)	(5,668,037.19)
	<hr/>	<hr/>	<hr/>
Net Debt Issued	<u>\$ 19,432,729.62</u>	<u>\$ 21,368,429.88</u>	<u>\$ 22,140,036.34</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 0.634%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Regional School District Debt	\$ 9,679,570.43	\$ 9,679,570.43	\$ -
General Debt	22,411,913.68	2,979,184.06	19,432,729.62
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 32,091,484.11</u>	<u>\$ 12,658,754.49</u>	<u>\$ 19,432,729.62</u>

Net Debt, \$21,368,429.88 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$2,970,088,107.33 equals 0.719%

BOROUGH OF TINTON FALLS

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Capital Debt (continued):

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 107,202,963.86
Net Debt	<u>19,432,729.62</u>
Remaining Borrowing Power	<u><u>\$ 87,770,234.24</u></u>

Calculation of Self-Liquidating Purpose - Sewer Utility per N.J.S.40A:2-45

Cash Receipts From Fees, Rents & Other Charges	\$ 6,584,239.69
Deductions:	
Operating & Maintenance Costs	\$ 4,457,292.00
Debt Service	<u>- 4,457,292.00</u>
Excess Revenue - Self Liquidating	<u><u>\$ 2,126,947.69</u></u>

A. Serial Bonds Payable

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Bonded Debt Issued and Outstanding:

	<u>GENERAL DEBT</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,615,000.00	\$ 747,676.27	\$ 2,362,676.27
2017	1,595,000.00	691,095.02	2,286,095.02
2018	1,640,000.00	627,345.02	2,267,345.02
2019	1,600,000.00	559,970.02	2,159,970.02
2020	1,655,000.00	492,220.02	2,147,220.02
2021-2025	6,255,000.00	1,531,345.04	7,786,345.04
2026-2030	3,925,000.00	490,713.75	4,415,713.75
2031-2033	595,000.00	35,600.00	630,600.00
Total	<u><u>\$ 18,880,000.00</u></u>	<u><u>\$ 5,175,965.14</u></u>	<u><u>\$ 24,055,965.14</u></u>

BOROUGH OF TINTON FALLS

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Capital Debt (continued):

B. Loans Payable

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Loan Debt Issued and Outstanding:

GENERAL DEBT:

<u>GREEN ACRES TRUST LOANS</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	44,870.40	1,129.62	46,000.02
2017	22,772.28	227.72	23,000.00
<hr/>			
Total	\$ 67,642.68	\$ 1,357.34	\$ 69,000.02
<hr/>			

C. Bond Anticipation Notes

On December 31, 2015, the Borough had the following outstanding bond anticipation notes:

GENERAL DEBT:

<u>Improvement Description</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>
Acquisition of Real Property	12/1/2016	0.55%	\$ 2,821,000.00
			<hr/>
			\$ 2,821,000.00
			<hr/>

D. Bonds and Notes Authorized But Not Issued

As of December 31, 2015, the Borough had \$643,271.00 General Capital bonds and notes authorized but not issued.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 12. Capital Debt (continued):

During the fiscal year ended December 31, 2015 the following changes occurred in capital debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
General Capital Fund:					
General Serial Bonds	\$ 20,477,000.00	\$ -	\$ (1,597,000.00)	\$ 18,880,000.00	\$ 1,615,000.00
Green Trust Loans Payable	111,628.96	-	(43,986.28)	67,642.68	44,870.40
Bond Anticipation Notes	2,900,000.00	2,821,000.00	(2,900,000.00)	2,821,000.00	2,821,000.00
Authorized but Not Issued	945,091.00	79,000.00	(380,820.00)	643,271.00	-
Total General Capital	<u>\$ 24,433,719.96</u>	<u>\$ 2,900,000.00</u>	<u>\$ (4,921,806.28)</u>	<u>\$ 22,411,913.68</u>	<u>\$ 4,480,870.40</u>
Sewer Utility Fund:					
Authorized but Not Issued	400,000.00	-	(400,000.00)	-	-
Total Sewer Utility	<u>\$ 400,000.00</u>	<u>\$ -</u>	<u>\$ (400,000.00)</u>	<u>\$ -</u>	<u>\$ -</u>

Note 13. Interfunds Receivables and Payables

No interfund balances exist at December 31, 2015.

Note 14. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, there were no deferred charges.

Note 15. Joint Insurance Pool

During 2015, the Borough of Tinton Falls was provided insurance as part of the Municipal Excess Liability Joint Insurance Fund. The Government Crime Policy coverage is as follows:

Employee Theft - Per Loss Coverage	\$1,000,000.00
Forgery or Alteration	1,000,000.00
Inside the Premises - Theft of Money and Securities	1,000,000.00
Inside the Premises - Robbery or Safe Burglary of Other Property	1,000,000.00
Computer Fraud	1,000,000.00
Public Employee Dishonesty	1,000,000.00

The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

Municipal Excess Liability Joint Insurance Fund
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 16. New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Borough Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 51,380.00	\$ 801.94	\$ 38,663.45	\$ 215,731.58
2014	51,380.00	774.86	69,109.89	202,213.09
2013	51,300.00	772.52	19,188.91	219,168.12

Note 17. Accounts Receivable

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>Current Fund</u>	<u>State & Federal Grant Fund</u>	<u>Trust Other Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
State Aid	\$ -	\$ 291,900.00	\$ -	\$ 79,683.13	\$ 371,583.13
Taxes	706,923.47	-	-	-	706,923.47
Rents	-	-	-	142,147.12	142,147.12
Other	42,621.83	-	300,000.00	-	342,621.83
Total	\$ 749,545.30	\$ 291,900.00	\$ 300,000.00	\$ 221,830.25	\$ 1,563,275.55

Note 18. Litigation

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

BOROUGH OF TINTON FALLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 19. Housing Trust Fund Mortgage

The Borough's Fair Share Housing Plan has called for the development of affordable supportive housing for the disabled. Accordingly, the Borough partnered with Meadowbrook II Partners, LP and the ARC of Monmouth County to subsidize the development of 12 supportive affordable housing units for disabled adults as part of Meadowbrook's development of an affordable senior apartment building. As the municipal sponsor, pursuant to N.J.S.A. 52:27D-311f, the Borough provided a \$300,000.00 mortgage derived from its Affordable Housing Trust Fund to support the development of these 12 supportive apartment units for persons with disabilities to be developed by Meadowbrook II Partners, LP and managed by the ARC of Monmouth County after completion.

The principal balance of the Loan is non-amortizing during the term of this Note. The Loan shall bear simple interest at the rate of one percent (1%) per annum on the outstanding principal balance of the Loan, which interest will accrue and be deferred until the Maturity Date (as hereinafter defined). The Loan, as to both principal and interest, shall be repaid by Maker to Lender on the date (the "Maturity Date") which is forty-five (45) years from September 12, 2012. Prior to the Maturity Date, no principal or interest payments are due under this Note.

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SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

		Current Fund	Grant Fund
Balance, December 31, 2014		\$ 12,652,307.25	\$ 131,970.45
Increased By Receipts:			
Non-Budget Revenues	\$ 928,051.26	\$ -	-
State of New Jersey - Senior Citizens' and Veterans' Deductions	114,693.84	-	-
Property Taxes Receivable	60,643,744.06	-	-
Debris Liens Receivable	2,356.28	-	-
Revenue Accounts Receivable	6,496,858.01	-	-
Prepaid Taxes	373,309.87	-	-
Due To State	53,314.00	-	-
Grants Receivable	-	309,267.68	-
Grants - Unappropriated	-	2,949.86	-
	<u>-</u>	<u>68,612,327.32</u>	<u>312,217.54</u>
		81,264,634.57	444,187.99
Decreased By Disbursements:			
2015 Budget Appropriations	21,869,690.21	-	-
2014 Appropriation Reserves	486,354.00	-	-
County Taxes	9,399,974.53	-	-
Tax Overpayments	215,677.45	-	-
Regional District School Taxes	22,061,828.79	-	-
Regional District High School Taxes	11,940,390.58	-	-
Municipal Open Space Tax	663,655.49	-	-
Special District Taxes	1,868,637.00	-	-
Due To State	57,437.00	-	-
Grants - Canceled	-	8,702.40	-
Grants - Appropriated	-	86,968.50	-
	<u>-</u>	<u>68,563,645.05</u>	<u>95,670.90</u>
Balance, December 31, 2015		<u>\$ 12,700,989.52</u>	<u>\$ 348,517.09</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Decrease</u>	Balance December 31, <u>2015</u>
Clerk of Municipal Court	\$ 700.00	\$ -	\$ 700.00
Office of Municipal Clerk:			
Central Services	25.00	-	25.00
Collector	100.00	-	100.00
	<hr/>		<hr/>
	\$ 825.00	\$ -	\$ 825.00
	<hr/>		<hr/>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		\$ 1,567.91
Increased By:		
Senior Citizens' Deductions per		
Tax Duplicate	\$ 21,000.00	
Veterans' Deductions per Tax Duplicate	93,250.00	
Senior Citizens' and Veterans' Deductions		
Allowed By Tax Collector	<u>5,750.00</u>	
		<u>120,000.00</u>
Decreased By:		121,567.91
Cash Received From State of New Jersey	114,693.84	
Senior Citizens' Disallowed	250.00	
Senior Citizens' Disallowed - Prior Years	<u>2,056.16</u>	
		<u>117,000.00</u>
Balance, December 31, 2015		<u><u>\$ 4,567.91</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014	2015 Levy	Collections		Due From/(To) State of New Jersey	Transferred To Tax Title Liens	Cancellations	Balance December 31, 2015
			2014	2015				
2009	\$ 0.81	\$ -	\$ -	0.81	\$ -	-	\$ -	-
2010	1,636.83	-	-	1,636.83	-	-	-	-
2011	2,309.73	-	-	2,309.73	-	-	-	-
2012	2,564.95	-	-	2,564.95	-	-	-	-
2013	2,600.73	-	-	2,600.73	-	-	-	-
2014	541,257.01	-	-	540,890.37	(2,056.16)	1,754.13	-	668.67
2015	-	61,116,926.90	256,443.17	60,029,149.37	119,750.00	12,003.93	45,454.11	654,126.32
	\$ 550,370.06	\$ 61,116,926.90	\$ 256,443.17	\$ 60,579,152.79	\$ 117,693.84	\$ 13,758.06	\$ 45,454.11	\$ 654,794.99

Analysis of Property Tax Levy

<u>Tax Yield</u>	
General Purpose Tax	\$ 58,702,816.73
Special District Taxes	1,891,461.27
Added/Omitted Taxes (R.S. 54-4-63, 1 et seq.)	522,648.90
	<u>\$ 61,116,926.90</u>
<u>Tax Levy</u>	
Regional District School Tax	\$ 22,478,336.00
Regional District High School Tax	12,124,896.00
County Taxes:	
County Tax	\$ 8,322,506.09
County Library Tax	548,481.83
County Open Space Tax	458,708.03
Due County for Added and Omitted Taxes	80,835.08
	<u>9,410,531.03</u>
Municipal Open Space Tax	658,103.00
Municipal Open Space Tax Added Taxes	5,552.49
	<u>663,655.49</u>
Fire Districts Taxes	1,868,637.00
	<u>46,546,055.52</u>
Local Tax for Municipal Purposes	14,093,839.51
Add: Additional Tax Levied	477,031.87
	<u>14,570,871.38</u>
	<u>\$ 61,116,926.90</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 38,176.13
Increased By:		
Interest and Costs at Tax Sale	\$ 194.29	
Transfers From Taxes Receivable	<u>13,758.06</u>	
		<u>13,952.35</u>
Balance, December 31, 2015		<u><u>\$ 52,128.48</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEBRIS LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 585.20
Increased By:	
Liens Levied	<u>2,334.17</u>
	2,919.37
Decreased By:	
Collections	<u>2,356.28</u>
Balance, December 31, 2015	<u><u>\$ 563.09</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Accrued in <u>2015</u>	<u>Collections</u>	Balance December 31, <u>2015</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 37,680.00	\$ 37,680.00	\$ -
Other	-	38,905.80	38,905.80	-
Fees and Permits	-	374,746.81	374,746.81	-
Fines and Costs:				
Municipal Court	48,950.20	568,684.59	581,227.80	36,406.99
Interest and Costs on Taxes	-	118,299.45	118,299.45	-
Interest on Investments and Deposits	-	45,140.18	45,140.18	-
Commercial Garbage Fees	-	60,810.00	60,810.00	-
Energy Receipts Tax	-	1,490,459.00	1,490,459.00	-
Uniform Construction Code Fees	-	661,194.00	661,194.00	-
Host Municipalities Act	-	1,882,197.58	1,882,197.58	-
Franchise Fees	-	265,096.54	265,096.54	-
Open Space Trust:				
Interest on Notes	-	13,014.00	13,014.00	-
Bond Principal	-	86,106.02	86,106.02	-
Interest on Bonds	-	57,031.98	57,031.98	-
Hotel Occupancy Tax	-	379,126.58	379,126.58	-
Capital Surplus	-	6,000.00	6,000.00	-
Piolet CommVault	-	190,184.00	190,184.00	-
Municipal Court Services - Monmouth Beach & Eatontown	-	209,638.27	209,638.27	-
	<u>\$ 48,950.20</u>	<u>\$ 6,484,314.80</u>	<u>\$ 6,496,858.01</u>	<u>\$ 36,406.99</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Description</u>		<u>Amount Authorized</u>	Balance December 31, <u>2014</u>	<u>Decreased by Budget Appropriation</u>	Balance December 31, <u>2015</u>
Special Emergency Authorizations - 5 Years:					
10/10/11	Damage Caused By Flooding from Hurricane Irene and Recent Storms	\$ 500,000.00	\$ 110,203.44	\$ 110,203.44	\$ -
			<u>\$ 110,203.44</u>	<u>\$ 110,203.44</u>	<u>\$ -</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance, December 31, <u>2014</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
GENERAL APPROPRIATIONS				
Borough Council:				
Salaries and Wages	156.37	156.37	-	156.37
Other Expenses	5,217.00	5,471.00	-	5,471.00
Office of the Mayor:				
Salaries and Wages	0.98	0.98	-	0.98
Other Expenses	6,703.72	6,703.72	-	6,703.72
Municipal Clerk:				
Salaries and Wages	7,398.03	7,398.03	984.84	6,413.19
Other Expenses	29,490.22	36,183.27	4,179.71	32,003.56
Office of the Tax Assessor:				
Salaries and Wages	3,928.88	3,928.88	502.41	3,426.47
Other Expenses	53,385.52	58,283.52	4,898.00	53,385.52
Division of Administration:				
Salaries and Wages	3,819.12	3,819.12	-	3,819.12
Other Expenses	22,779.26	31,331.49	6,382.44	24,949.05
Human Resources:				
Salaries and Wages	3.88	3.88	-	3.88
Other Expenses	835.53	903.52	-	903.52
Division of Central Services:				
Salaries and Wages	6,570.50	6,570.50	3,281.89	3,288.61
Miscellaneous Other Expenses	3,279.80	3,802.37	811.75	2,990.62
Division of Engineering:				
Other Expenses	4,221.85	12,232.55	9,610.69	2,621.86
Historical Sites Office:				
Other Expenses	327.34	327.34	-	327.34
Division of Law:				
Salaries and Wages	8.78	8.78	-	8.78
Other Expenses	2,891.50	40,458.91	17,234.00	23,224.91
Division of Central Maintenance:				
Salaries and Wages	19,628.46	29,628.46	6,155.36	23,473.10
Other Expenses	2,363.71	39,407.03	36,172.09	3,234.94
Division of Streets:				
Salaries and Wages	12,250.70	27,250.70	8,667.41	18,583.29
Other Expenses	5,128.99	25,006.86	17,296.46	7,710.40
Division of Sanitation:				
Salaries and Wages	150,833.47	118,633.47	15,506.75	103,126.72
Other Expenses:				
Landfill/Solid Waste Disposal Costs	7,733.54	7,733.54	5,848.15	1,885.39
Miscellaneous Other Expenses	1,133.77	6,165.54	5,076.28	1,089.26
Division of Buildings and Grounds:				
Salaries and Wages	37,074.57	37,074.57	4,119.60	32,954.97
Other Expenses	5,240.09	21,658.43	13,650.12	8,008.31

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance, December 31, <u>2014</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Maintenance of Parks:				
Salaries and Wages	25,310.69	25,310.69	10,051.52	15,259.17
Other Expenses	4,303.59	16,827.92	8,071.52	8,756.40
Shade Tree:				
Other Expenses	1,280.00	1,280.00	-	1,280.00
Community Services Act:				
Other Expenses	31,804.00	31,804.00	17,095.00	14,709.00
Police:				
Salaries and Wages	61,025.22	61,025.22	7,025.49	53,999.73
Other Expenses	701.72	36,630.35	31,035.08	5,595.27
Division of Emergency Management:				
Salaries and Wages	2,253.31	2,253.31	-	2,253.31
Other Expenses	15,158.49	31,735.40	16,722.02	15,013.38
Municipal Prosecutor:				
Salaries and Wages	1,466.50	1,466.50	-	1,466.50
Other Expenses	4,000.00	4,000.00	-	4,000.00
Division of Finance:				
Salaries and Wages	4,274.60	4,274.60	1,280.07	2,994.53
Other Expenses:				
Auditing Services	-	27,600.00	27,600.00	-
Miscellaneous Other Expenses	1,525.62	1,772.06	1,421.44	350.62
Division of Revenue:				
Salaries and Wages	6,542.75	7,642.75	7,610.15	32.60
Other Expenses	4,857.05	5,763.86	411.61	5,352.25
Division of Health:				
Other Expenses:				
Miscellaneous Other Expenses	672.00	672.00	-	672.00
Environmental Health Services:				
Other Expenses	3,750.00	3,750.00	-	3,750.00
Contribution To Social Service Agencies:				
Other Expenses	3,670.00	3,670.00	1,705.00	1,965.00
Alliance Program:				
Other Expenses	34.30	4,366.80	4,289.99	76.81
Division of Recreation:				
Salaries and Wages	7,888.10	7,888.10	1,569.69	6,318.41
Other Expenses	11,357.06	26,004.51	11,991.90	14,012.61
Division of Housing:				
Other Expenses	27,365.50	27,365.50	-	27,365.50
Division of Planning:				
Salaries and Wages	8,960.96	8,960.96	-	8,960.96
Other Expenses	23,925.75	26,931.82	2,114.58	24,817.24
Division of Zoning:				
Salaries and Wages	3,440.38	3,440.38	925.65	2,514.73
Other Expenses	10,346.01	14,688.95	909.58	13,779.37

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance, December 31, <u>2014</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Division of Code Enforcement:				
Salaries and Wages	5,937.66	5,937.66	998.76	4,938.90
Other Expenses	1,880.69	2,008.35	210.73	1,797.62
Division of Fire Prevention:				
Salaries and Wages	0.84	0.84	-	0.84
Other Expenses	122.24	295.56	181.32	114.24
Municipal Court:				
Salaries and Wages	18,741.32	18,741.32	10,996.14	7,745.18
Other Expenses	3,069.89	3,700.74	1,450.66	2,250.08
Public Employees Occupational Safety and Health Act:				
Other Expenses	2,940.00	3,080.00	140.00	2,940.00
Public Defender				
Salaries and Wages	189.42	189.42	-	189.42
Other Expenses	400.00	400.00	-	400.00
UNIFORM CONSTRUCTION CODE APPROPRIATIONS				
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)				
State Uniform Construction Code:				
Salaries & Wages	23,708.09	23,708.09	2,402.31	21,305.78
Other Expenses	1,716.50	2,011.31	294.81	1,716.50
UNCLASSIFIED				
Electricity	21,472.98	45,858.73	32,214.10	13,644.63
Street Lightin	5,299.13	23,737.63	18,438.50	5,299.13
Telephone	2,466.58	2,466.58	-	2,466.58
Water	8,504.27	9,538.72	586.48	8,952.24
Gas	342.66	10,238.59	9,435.40	803.19
Fuel Oil	61,924.28	86,855.84	24,931.56	61,924.28
Telecommunications	15,756.80	20,753.75	14,770.99	5,982.76
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	58,931.03	58,931.03	6,516.61	52,414.42
Defined Contribution Retirement Program	8,825.00	8,825.00	-	8,825.00
Group Insurance	933.90	933.90	-	933.90
LOSAP - Volunteer Ambulance	46,005.00	46,005.00	38,112.38	7,892.62
NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):				
Division of Streets:				
Other Expenses	3,667.11	7,205.33	894.47	6,310.86
Recycling Tax	426.24	426.24	-	426.24

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance, December 31, <u>2014</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
County of Monmouth:				
Municipal Court - Monmouth Beach & Eatontown	21,271.33	23,181.68	2,553.20	20,628.48
Purchase of Automated Refuse Containers	171.40	171.40	-	171.40
Historic - Crawford House	11,693.41	11,693.41	-	11,693.41
Acquisition of Trucks	2,705.00	2,705.00	-	2,705.00
Improvements to Library	500.00	9,200.00	9,017.34	182.66
	<hr/>			
Total General Appropriations	\$ 987,921.95	\$ 1,346,069.63	\$ 486,354.00	\$ 859,715.63
	<hr/>			
Appropriation Reserves		\$ 987,921.95		
Encumbrances Payable		<u>358,147.68</u>		
		<u>\$ 1,346,069.63</u>		
		<hr/>		
Cash Disbursed			\$ 486,354.00	
Transferred To Accounts Payable			<u>-</u>	
			<u>\$ 486,354.00</u>	

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014 & 2015

\$ 117,739.02

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 70,278.58
Increased By:		
2015 Tax Levy		
County Tax	\$ 8,322,506.09	
County Library Tax	548,481.83	
County Open Space Fund Tax	458,708.03	
Due County for Added and Omitted Taxes	<u>80,835.08</u>	
		<u>9,410,531.03</u>
		9,480,809.61
Decreased By:		
Cash Disbursements		<u>9,399,974.53</u>
Balance, December 31, 2015		<u><u>\$ 80,835.08</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 256,443.17
Increased By:	
Collection of 2016 Taxes	<u>373,309.87</u>
	629,753.04
Decreased By:	
Applied To 2015 Taxes	<u>256,443.17</u>
Balance, December 31, 2015	<u><u>\$ 373,309.87</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 18,707.89
Increased By:	
2015 Tax Overpayments	<u>209,652.50</u>
	228,360.39
Decreased By:	
Tax Overpayments Refunded	<u>215,677.45</u>
Balance, December 31, 2015	<u><u>\$ 12,682.94</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		
School Tax Payable	\$ 2,449,339.82	
School Tax Deferred	<u>7,949,999.23</u>	
		\$ 10,399,339.05
Increased By:		
Levy - School Year July 1, 2014 to June 30, 2015		<u>22,478,336.00</u>
		32,877,675.05
Decreased By:		
Cash Disbursed		<u>22,061,828.79</u>
Balance, December 31, 2015		
School Tax Payable	2,265,847.03	
School Tax Deferred	<u>8,549,999.23</u>	
		<u>\$ 10,815,846.26</u>
<u>2015 Liability for Regional District School Tax</u>		
Tax Payable, December 31, 2015	\$ 2,265,847.03	
Tax Paid	<u>22,061,828.79</u>	
		24,327,675.82
Less:		
Tax Payable, December 31, 2014		<u>2,449,339.82</u>
Amount Charged To 2015 Operations		<u>\$ 21,878,336.00</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		
School Tax Payable	\$ 3,607,711.05	
School Tax Deferred	<u>2,270,231.55</u>	
		\$ 5,877,942.60
Increased By:		
Levy - School Year July 1, 2014 to June 30, 2015		<u>12,124,896.00</u>
		18,002,838.60
Decreased By:		
Cash Disbursed		<u>11,940,390.58</u>
Balance, December 31, 2015		
School Tax Payable	\$ 3,792,216.47	
School Tax Deferred	<u>2,270,231.55</u>	
		<u>\$ 6,062,448.02</u>
<u>2015 Liability for Regional District High School Tax</u>		
Tax Payable, December 31, 2015	\$ 3,792,216.47	
Tax Paid	<u>11,940,390.58</u>	
		15,732,607.05
Less:		
Tax Payable, December 31, 2014		<u>3,607,711.05</u>
Amount Charged To 2015 Operations		<u>\$ 12,124,896.00</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$	-
Increased By:			
2015 Levy	\$ 658,103.00		
Added & Omitted Taxes	<u>5,552.49</u>		
			<u>663,655.49</u>
			663,655.49
Decreased By:			
Cash Disbursements			<u>663,655.49</u>
Balance, December 31, 2015		\$	<u><u>-</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$	-
Increased By:			
Fire District #1 Levy	\$ 1,058,086.00		
Fire District #2 Levy	<u>810,551.00</u>		
			<u>1,868,637.00</u>
			1,868,637.00
Decreased By:			
Cash Disbursements			<u>1,868,637.00</u>
Balance, December 31, 2015		\$	<u><u>-</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE
FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance December 31, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2015</u>
Marriage Licenses	\$ 600.00	\$ 2,735.00	\$ 2,785.00	\$ 550.00
DCA Training Fees	16,060.00	50,579.00	54,652.00	11,987.00
	<u>\$ 16,660.00</u>	<u>\$ 53,314.00</u>	<u>\$ 57,437.00</u>	<u>\$ 12,537.00</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Budget Revenue <u>Realized</u>	Cash <u>Receipts</u>	Transferred From Grants <u>Unappropriated</u>	<u>Cancelled</u>	Balance December 31, <u>2015</u>
Recycling Tonnage Grant	\$ -	\$ 82,048.77	\$ -	\$ 82,048.77	\$ -	\$ -
Ranney School	7,499.96	30,000.00	28,593.84	-	8,906.12	-
Body Armor Replacement Fund	-	7,477.47	3,687.77	3,789.70	-	-
Clean Communities Program	-	44,346.65	44,346.65	-	-	-
NJ DEP Forestry - No Net Loss Grant	288,900.00	-	-	-	-	288,900.00
NJ DOT - Corregidor Road	62,500.00	-	62,500.00	-	-	-
NJ DEP Green Communities	-	3,000.00	-	-	-	3,000.00
County of Monmouth - Corregidor/Hope Road	176,585.25	-	170,139.42	-	6,445.83	-
	<hr/>					
	\$ 535,485.21	\$ 166,872.89	\$ 309,267.68	\$ 85,838.47	\$ 15,351.95	\$ 291,900.00
	<hr/>					

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014	Transferred From 2015 Budgets	Transferred From Encumbrances Payable	Paid or Charged	Transferred To Encumbrances Payable	Cancelled	Balance December 31, 2015
Local:							
Monmouth County Joint Insurance Fund	\$ 450.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450.00
Ranney School Policing Services	18,378.64	30,000.00	2,852.50	27,176.79	-	24,054.35	-
Donation - Fire Prevention Training	200.03	-	-	-	-	-	200.03
Comcast - Technology Contribution	6,441.25	-	-	-	-	-	6,441.25
State:							
Municipal Stormwater	1,313.97	-	-	-	-	-	1,313.97
Alcohol Education Rehabilitation Fund	9,292.58	-	-	1,400.00	-	-	7,892.58
Body Armor Replacement Fund	564.51	7,477.47	845.35	1,971.70	6,274.45	-	641.18
Clean Communities Program - 2012	7,513.00	-	-	1,293.25	6,219.75	-	-
Clean Communities Program - 2013	19,291.60	-	2,737.50	13,982.53	8,046.57	-	-
Clean Communities Program - 2014	36,485.53	-	-	17,594.47	18,891.06	-	-
Clean Communities Program - 2015	-	44,346.65	-	-	872.15	-	43,474.50
Drunk Driving Enforcement Grant	18,458.76	-	-	6,632.07	-	-	11,826.69
Recycling Tonnage Grant	161,801.97	82,048.77	5,927.00	16,917.69	10,088.30	-	222,771.75
NJ DEP Forestry - No Net Loss Grant - 2014	288,900.00	-	-	-	-	-	288,900.00
NJ DEP Clean Communities Program	-	3,000.00	-	-	3,000.00	-	-
	<u>\$ 569,091.84</u>	<u>\$ 166,872.89</u>	<u>\$ 12,362.35</u>	<u>\$ 86,968.50</u>	<u>\$ 53,392.28</u>	<u>\$ 24,054.35</u>	<u>\$ 583,911.95</u>

Budget Appropriation
Cash Disbursements

\$ 166,872.89	\$ -
<u>86,968.50</u>	
<u>\$ 166,872.89</u>	<u>\$ 86,968.50</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Cash <u>Received</u>	Transferred To Grants <u>Receivable</u>	Balance December 31, <u>2015</u>
Body Armor Replacement Fund	\$ 3,789.70	\$ 180.00	\$ 3,789.70	\$ 180.00
Recycling Tonnage Grant	82,048.77	-	82,048.77	-
Historical Grant	163.00	-	-	163.00
Municipal Court Alcohol Education and Rehabilitation Enforcement Fund	-	2,769.86	-	2,769.86
	<u>\$ 86,001.47</u>	<u>\$ 2,949.86</u>	<u>\$ 85,838.47</u>	<u>\$ 3,112.86</u>

TRUST FUND

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>Animal Control</u> <u>Trust Fund</u>	<u>Open Space</u> <u>Trust Fund</u>	<u>Other</u> <u>Trust Funds</u>
Balance, December 31, 2014	\$ 5,561.43	\$ 1,058,658.62	\$ 4,565,364.34
Increased By Receipts:			
Due To State of New Jersey	1,423.20	-	-
Dog License Fees	7,117.80	-	-
Transfer from Budget Appropriation	23,166.00	-	-
Reserve for Open Space	-	674,389.38	-
CDBG Receipts	-	-	75,585.00
Miscellaneous Trust Funds	-	-	3,557,117.05
	<u>31,707.00</u>	<u>674,389.38</u>	<u>3,632,702.05</u>
	<u>37,268.43</u>	<u>1,733,048.00</u>	<u>8,198,066.39</u>
Decreased By Disbursements:			
N.J. State Department of Health	1,419.00	-	-
Expenditures per R.S. 4:19-15.11	28,733.00	-	-
Reserve for Open Space	-	536,323.83	-
Encumbrances Payable	-	5,742.94	-
Miscellaneous Trust Funds	-	-	2,889,705.70
	<u>30,152.00</u>	<u>542,066.77</u>	<u>2,889,705.70</u>
Balance, December 31, 2015	<u>\$ 7,116.43</u>	<u>\$ 1,190,981.23</u>	<u>\$ 5,308,360.69</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST OTHER FUND
SCHEDULE OF DUE FROM COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 75,585.00
Increased By:	
Grant Award	<u>-</u>
	75,585.00
Decreased By:	
Cash Received	<u>75,585.00</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO/(FROM) NEW JERSEY STATE DEPARTMENT OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	\$ -
Increased By:	
State Registration Fees Collected	<u>1,423.20</u>
	1,423.20
Decreased By:	
Disbursed To State	<u>1,419.00</u>
Balance, December 31, 2015	<u><u>\$ 4.20</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 5,591.43
Increased By:	
License Fees Collected - 2015	\$ 7,117.80
Animal Appropriation Control Balance	23,166.00
	<u>30,283.80</u>
	35,875.23
Decreased By:	
Expenditures Per R.S. 4:19-15.11	28,733.00
	<u>28,733.00</u>
Balance, December 31, 2015	<u><u>\$ 7,142.23</u></u>
Analysis fo Balance	
Encumbrances Payable	2,559.00
Reserve for Animal Control Fund Expenditures	4,583.23
	<u>4,583.23</u>
	<u><u>\$ 7,142.23</u></u>

License Fees Collected

2014	\$ 8,654.20
2013	7,983.30
	<u>7,983.30</u>
	<u><u>\$ 16,637.50</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 1,052,915.68
Increased By:		
Tax Levy	\$ 658,103.00	
Added & Omitted Taxes	5,552.49	
Interest Earned	4,990.95	
Transferred from Encumbrances Payable	<u>5,742.94</u>	
		<u>674,389.38</u>
		1,727,305.06
Decreased By:		
Cash Disbursed	536,323.83	
Transferred to Encumbrances Payable	<u>241,599.22</u>	
		<u>777,923.05</u>
Balance, December 31, 2015		<u><u>\$ 949,382.01</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 5,742.94
Increased By:	
Transfers to Encumbrances Payable	<u>241,599.22</u>
	247,342.16
Decreased By:	
Transfer to Reserve for Open Space	<u>5,742.94</u>
Balance, December 31, 2015	<u><u>\$ 241,599.22</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE RESERVE FOR VARIOUS TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Transferred From Encumbrances <u>Payable</u>	<u>Increased</u>	<u>Decreased</u>	Transferred To Encumbrances <u>Payable</u>	Balance December 31, <u>2015</u>
Street Openings	\$ 7,300.00	\$ -	\$ 5,885.00	\$ 1,300.00	\$ -	\$ 11,885.00
Mid Monmouth	1,850.00	-	-	-	-	1,850.00
Tax Sale Premiums	453,900.00	1,900.00	116,000.00	149,700.00	-	422,100.00
Detention Basin	375,394.97	-	-	-	-	375,394.97
Tax Title Liens	9,190.59	7,059.96	228,357.13	208,025.40	-	36,582.28
Unemployment	202,213.09	-	52,181.94	38,663.45	-	215,731.58
Law Enforcement	24,206.43	-	9,061.51	8,500.00	-	24,767.94
Off Duty	48,855.42	-	549,333.16	500,238.88	-	97,949.70
Recycling	28,741.78	6,760.56	39,109.76	35,920.05	2,780.44	35,911.61
Parking Offenses Adjudication Act	876.00	-	20.00	-	-	896.00
DARE Program	1,744.63	-	-	-	-	1,744.63
Emergency Management	1,855.71	-	-	-	-	1,855.71
Public Defender	21,067.60	-	5,855.00	-	-	26,922.60
Alcohol Alliance	1,520.85	-	-	-	-	1,520.85
Recreation	28,130.07	-	3,925.00	22,910.20	-	9,144.87
Police Forfeiture	25,438.90	226.30	43,694.11	20,108.65	460.28	48,790.38
Seabrook CCO and Fire Inspection	71,806.00	-	10,500.00	11,790.00	-	70,516.00
Professional Fees	5,033.58	-	-	-	-	5,033.58
Uniform Fire Safety Penalty Funds	11,007.51	-	-	1,350.80	-	9,656.71
Uniform Fire Safety Dedicated and Comp Penalties	4,420.23	-	-	-	-	4,420.23
Accumulated Absences	27,092.65	-	50,000.00	64,233.01	-	12,859.64
Volunteer Appreciation Day	30.00	-	-	-	-	30.00
Historic Crawford House	200.00	-	-	-	-	200.00
Community Day	37.23	-	19,950.00	18,001.66	-	1,985.57
State Library Aid	-	-	952.00	952.00	-	-
Community Development Block Grant	75,585.00	-	-	75,585.00	-	-
Insurance	64,637.63	2,386.21	644,319.76	565,726.98	-	145,616.62
Affordable Housing	684,875.97	6,741.87	78,469.12	113,248.63	13,865.08	642,973.25
Developers Escrow:						
Engineering Fees	373,228.00	-	246,861.31	222,274.06		397,815.25
Maintenance Fees	81,429.79	-	24,640.22	9,294.82		96,775.19
Performance Fees	1,757,603.27	-	1,245,502.08	649,482.11		2,353,623.24
Escrow Fees	175,450.97	6,406.50	87,465.96	118,924.01	-	150,399.42
Shafto Rd. Sewer Line Extension	3,141.08	-	7.70	-	-	3,148.78
COAH Special Master	-	-	5,001.61	725.00		4,276.61
FMERA Sewer Improvement	-	-	90,024.68	11,148.00	2,852.00	76,024.68
GIS Revision Fees	41,603.00	-	-	41,603.00	-	-
	<u>\$ 4,609,467.95</u>	<u>\$ 31,481.40</u>	<u>\$ 3,557,117.05</u>	<u>\$ 2,889,705.71</u>	<u>\$ 19,957.80</u>	<u>\$ 5,288,402.89</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (UNAUDITED)
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014			\$ 428,791.46
Increased By:			
Borough Contributions	\$	38,112.38	
Appreciation on Investments	\$	<u>4,902.53</u>	
			<u>43,014.91</u>
			471,806.37
Decreased By:			
Withdrawals			<u>46,822.66</u>
Balance, December 31, 2015			<u><u>\$ 424,983.71</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (UNAUDITED)
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		\$ 428,791.46
Increased By:		
Borough Contributions	\$ 38,112.38	
Appreciation on Investments	4,902.53	
		<u>43,014.91</u>
		471,806.37
Decreased By:		
Withdrawals		<u>46,822.66</u>
Balance, December 31, 2015		<u><u>\$ 424,983.71</u></u>

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GENERAL CAPITAL FUND

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 2,840,419.08
Increased By:		
Receipts for Bond Ordinance 13-1370	\$ 380,820.00	
Bond Anticipation Notes	2,821,000.00	
Capital Improvement Fund	45,000.00	
Miscellaneous Reserves	55,057.26	
	<u> </u>	<u>3,301,877.26</u>
		6,142,296.34
Decreased By:		
Fund Balance - Anticipated in Current Fund	6,000.00	
Bond Anticipation Notes	2,900,000.00	
Improvement Authorizations	1,422,538.54	
	<u> </u>	<u>4,328,538.54</u>
Balance, December 31, 2015		<u><u>\$ 1,813,757.80</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2015</u>
Encumbrances Payable	\$ 403,548.08
Capital Improvement Fund	74,477.00
Miscellaneous Reserves	216,277.41
Fund Balance	5,180.95

<u>Ordinance Number</u>	<u>Improvement Description</u>	
05-1159	New Municipal Complex	\$ 1,064.06
06-1181	New Municipal Complex	205,608.72
06-1206	Drainage Outfall Improvements	11,172.91
09-1286	Various Items of Equipment	53,135.12
11-1325	Various Capital Improvements	114,696.56
11-1329	Acquisition of Real Property	423.43
12-1342	Improvements to West Park Ave.	1,211.36
12-1345	2012 Road Program	80,740.06
12-1348	Acq. Of Radios & Technology Equipment	1,853.82
13-1362	Various Equipment	126,585.87
13-1370	2014 Road Improvement Program	53,947.42
14-1377	2014 Various Capital Improvements	463,835.03
		<u>\$ 1,813,757.80</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014			\$ 20,588,628.96
Decreased By:			
Serial Bonds Paid	\$	1,597,000.00	
Green Trust Loan Paid		<u>43,986.28</u>	
			<u>1,640,986.28</u>
Balance, December 31, 2015			<u><u>\$ 18,947,642.68</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015

Ordinance Number	<u>Improvement Description</u>	<u>Decreased by</u>		<u>Analysis of Balance</u>		
		Balance December 31, 2014	Cash Receipts	Balance December 31, 2015	Bond Anticipation Notes	Unexpended Improvement Authorizations
06-1206	Drainage Outfall Improvements	\$ 156.00	\$ -	\$ 156.00	\$ -	\$ 156.00
11-1329	Acquisition of Real Property	3,464,115.00	-	3,464,115.00	2,821,000.00	643,115.00
13-1370	2014 Road Improvement Program	380,820.00	380,820.00	-	-	-
		<u>\$ 3,845,091.00</u>	<u>\$ 380,820.00</u>	<u>\$ 3,464,271.00</u>	<u>\$ 2,821,000.00</u>	<u>\$ 643,271.00</u>
Improvement Authorizations Unfunded						
Less: Unexpended proceed of Bond Anticipation Notes:						
11-1329	Acquisition of Real Property				\$	643,694.43
						<u>423.43</u>
					\$	<u>643,271.00</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u>		<u>Interest Rate</u>	<u>Balance</u>	
			<u>Date</u>	<u>Amount</u>		<u>December 31, 2014</u>	<u>December 31, 2015</u>
General Improvement Bonds	12/21/06	\$ 538,000.00	12/01/16	65,000.00	5.00%	\$ 127,000.00	\$ 65,000.00
General Improvement Bonds	01/03/08	8,688,000.00	01/01/16	350,000.00	4.00%	6,855,000.00	6,515,000.00
			01/01/17	365,000.00	4.00%		
			01/01/18	380,000.00	4.00%		
			01/01/19	395,000.00	4.00%		
			01/01/20	415,000.00	4.00%		
			01/01/21	430,000.00	4.00%		
			01/01/22	450,000.00	4.00%		
			01/01/23	470,000.00	4.10%		
			01/01/24	490,000.00	4.10%		
			01/01/25	515,000.00	4.10%		
			01/01/26	540,000.00	4.15%		
			01/01/27	565,000.00	4.15%		
			01/01/28	575,000.00	4.20%		
			01/01/29	575,000.00	4.20%		
Refunding Bonds:							
(General Improvements - 2002)	11/16/10	5,753,000.00	07/01/16	295,000.00	2.00%	5,000,000.00	4,695,000.00
			07/01/17	290,000.00	3.00%		
			07/01/18	290,000.00	3.50%		
			07/01/19	285,000.00	4.00%		
			07/01/20	285,000.00	4.00%		
			07/01/21	285,000.00	4.00%		
						-	305,000.00

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	01/24/11	3,510,000.00	07/01/32	40,000.00	4.00%				
			01/15/16	335,000.00	2.75%	2,585,000.00	-	325,000.00	2,260,000.00
			01/15/17	345,000.00	5.00%				
			01/15/18	365,000.00	5.00%				
			01/15/19	385,000.00	5.00%				
			01/15/20	405,000.00	5.00%				
			01/15/21	425,000.00	5.00%				
Refunding Bonds (2003)	05/22/12	350,000.00	12/31/16	70,000.00	4.00%	285,000.00	-	65,000.00	220,000.00
			12/31/17	75,000.00	4.00%				
			12/31/18	75,000.00	4.00%				
MCIA General Improvement Bonds	12/19/12	1,460,000.00	12/01/16	90,000.00	2.50%	1,285,000.00	-	90,000.00	1,195,000.00
			12/01/17	95,000.00	3.00%				
			12/01/18	100,000.00	3.00%				
			12/01/19	100,000.00	3.00%				
			12/01/20	105,000.00	4.00%				
			12/01/21	110,000.00	4.00%				
			12/01/22	110,000.00	4.00%				
			12/01/23	115,000.00	4.00%				
			12/01/24	120,000.00	2.00%				
			12/01/25	125,000.00	3.00%				
			12/01/26	125,000.00	2.00%				
MCIA General Improvement Bonds	12/10/13	1,485,000.00	12/01/16	150,000.00	4.00%	1,350,000.00	-	145,000.00	1,205,000.00
			12/01/17	160,000.00	4.00%				
			12/01/18	165,000.00	4.00%				
			12/01/19	170,000.00	4.00%				

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Outstanding December 31, 2014		Interest Rate	Balance December 31, 2014	Increased	Decreased	Balance December 31, 2015	
		Original Issue	Date						Amount
MCIA General Improvement Bonds	12/24/14	2,200,000.00	12/01/20	180,000.00	5.00%				
			12/01/21	185,000.00	5.00%				
			12/01/22	195,000.00	5.00%				
			12/01/16	215,000.00	3.00%	2,200,000.00	-	215,000.00	1,985,000.00
			12/01/17	220,000.00	4.00%				
			12/01/18	220,000.00	4.00%				
			12/01/19	220,000.00	4.00%				
			12/01/20	220,000.00	4.00%				
			12/01/21	220,000.00	5.00%				
			12/01/22	220,000.00	5.00%				
			12/01/23	225,000.00	5.00%				
			12/01/24	225,000.00	5.00%				
						\$ 20,477,000.00	\$ -	\$ 1,597,000.00	\$ 18,880,000.00

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
11-1329	12/13/13	12/02/15	12/01/16	0.45%	\$ 1,000,000.00	\$ 1,300,000.00	\$ 1,000,000.00	\$ 1,300,000.00
11-1329	12/13/13	12/02/15	12/01/16	0.45%	1,900,000.00	1,521,000.00	1,900,000.00	1,521,000.00
					<u>\$ 2,900,000.00</u>	<u>\$ 2,821,000.00</u>	<u>\$ 2,900,000.00</u>	<u>\$ 2,821,000.00</u>
Cash Disbursed - Renewals						\$ 2,821,000.00	\$ 2,821,000.00	
Repayment of BAN with Cash Note						-	79,000.00	
						<u>\$ 2,821,000.00</u>	<u>\$ 2,900,000.00</u>	

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Schedule of Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Principal Payment</u>	<u>Balance</u>
			<u>Date</u>	<u>Principal</u>		<u>December 31, 2014</u>		<u>December 31, 2015</u>
Riverdale Park Acquisition	05/09/97	\$ 739,750.00	02/14/16	22,323.58	2.0%	\$ 111,628.96	\$ 43,986.28	\$ 67,642.68
			08/14/16	22,546.82	2.0%			
			02/14/17	22,772.28	2.0%			
						<u>\$ 111,628.96</u>	<u>\$ 43,986.28</u>	<u>\$ 67,642.68</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	4,200.00
Decreased By:	
Cancel to Fund Balance	<u>4,200.00</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2014		Transferred From Encumbrances	Paid or Charged	Transferred To Encumbrances	Balance December 31, 2015	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
05-1159	New Municipal Complex	09/06/05	\$ 800,000.00	\$	-	\$	-	\$	1,064.06	\$ -
06-1181	New Municipal Complex	05/02/06	1,500,000.00	210,835.49	-	1,500.00	6,726.77	-	205,608.72	-
06-1206	Drainage Outfall Improvements	12/05/06	200,000.00	11,172.91	156.00	9,911.29	5,989.69	3,921.60	11,172.91	156.00
09-1286	Various Items of Equipment	12/01/09	1,095,000.00	53,135.12	-	-	-	-	53,135.12	-
11-1325	Various Capital Improvements	09/20/11	1,067,000.00	114,696.56	-	-	-	-	114,696.56	-
11-1329	Acquisition of Real Property	11/01/11	5,665,000.00	-	646,312.59	-	2,774.16	-	-	643,538.43
12-1342	Improvements to West Park Ave.	05/01/12	305,000.00	1,211.36	-	-	-	-	1,211.36	-
12-1345	2012 Road Program	06/19/12	1,907,500.00	362,740.06	-	-	22,733.64	259,266.36	80,740.06	-
12-1348	Acq. Of Radios & Technology Equipment	07/17/12	110,000.00	1,853.82	-	-	-	-	1,853.82	-
13-1362	Various Equipment	05/21/13	677,000.00	126,585.87	-	-	-	-	126,585.87	-
13-1370	2014 Road Improvement Program	12/17/13	2,389,750.00	-	80,819.88	1,271,830.08	1,261,565.69	37,136.85	53,947.42	-
14-1377	2014 Various Capital Improvements	08/05/14	832,500.00	577,565.20	-	112,241.69	122,748.59	103,223.27	463,835.03	-
				\$ 1,460,860.45	\$ 727,288.47	\$ 1,395,483.06	\$ 1,422,538.54	\$ 403,548.08	\$ 1,113,850.93	\$ 643,694.43

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 29,477.00
Increased By:	
Budget Appropriation	<u>45,000.00</u>
Balance, December 31, 2015	<u><u>\$ 74,477.00</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
Reserve for:				
Sidewalk Contributions	\$ 16,215.99	\$ 10,000.00	\$ -	\$ 26,215.99
Calton Homes/Stormwater	15,000.00	-	-	15,000.00
Sitar Off Tract	37,000.00	-	-	37,000.00
Fox Chase Phase II / Rec	75,000.00	-	-	75,000.00
Matzel and Mumford - RCA	18,004.16	-	-	18,004.16
Debt Service	-	45,057.26	-	45,057.26
	<hr/>			
	\$ 161,220.15	\$ 55,057.26	\$ -	\$ 216,277.41
	<hr/>			

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Balance	Repayment of BAN	Decreased by	Balance
		December 31, <u>2014</u>	With <u>Cash Note</u>	Cash <u>Receipt</u>	December 31, <u>2015</u>
06-1206	Drainage Outfall Improvements	\$ 156.00	\$ -	\$ -	\$ 156.00
11-1329	Acquisition of Real Property	564,115.00	79,000.00	-	643,115.00
13-1370	2014 Road Improvement Program	380,820.00	-	380,820.00	-
		<u>\$ 945,091.00</u>	<u>\$ 79,000.00</u>	<u>\$ 380,820.00</u>	<u>\$ 643,271.00</u>

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SEWER UTILITY FUND

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2014	\$ 2,850,174.53	\$ 25,672.88
Increased By Receipts:		
Consumer Accounts Receivable	\$ 3,299,070.99	-
Non-Budget Revenue	1,361,208.63	-
Prepaid Rents	366,343.40	-
2015 Budget Appropriation	<u>-</u>	<u>400,000.00</u>
	<u>5,026,623.02</u>	<u>400,000.00</u>
	7,876,797.55	425,672.88
Decreased By Disbursements:		
2015 Budget Appropriations	4,461,738.69	-
2014 Appropriation Reserves	155,089.99	-
Accounts Payable	1,667.79	-
Refund of Sewer Overpayments	2,645.12	-
Improvement Authorizations	<u>-</u>	<u>\$ 78,513.59</u>
	<u>4,621,141.59</u>	<u>78,513.59</u>
Balance, December 31, 2015	<u><u>\$ 3,255,655.96</u></u>	<u><u>\$ 347,159.29</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance December 31, <u>2015</u>
Encumbrances Payable	\$ 338,373.87
Fund Balance	4,678.64

Ordinance <u>Number</u>	<u>Improvement Description</u>	
12-1334	Various Pump Station Improvements	<u>4,106.78</u>
		<u><u>\$ 347,159.29</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014			\$ 133,812.64
Increased By:			
Sewer Rents Levied			<u>3,881,366.52</u>
			4,015,179.16
Decreased By:			
Collections	\$ 3,299,070.99		
Prepaid Rents Applied	573,960.07		
Cancellation	<u>0.98</u>		
			<u>3,873,032.04</u>
Balance, December 31, 2015			<u><u>\$ 142,147.12</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Description</u>	<u>Balance December 31, 2015 and 2014</u>
Construction of a System Interceptor and Collection System	\$ 7,895,324.05
Installation of Sanitary Sewer Mains (01-1059)	505,519.98
Squankum Pump Station	234,851.06
Wyncrest Pump Station	<u>1,303,957.34</u>
	<u><u>\$ 9,939,652.43</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2014	Increased	Balance December 31, 2015
		Date	Amount			
12-1334	Various Pump Station Improvements	02/07/12	530,000.00	\$ 530,000.00	\$ -	\$ 530,000.00
14-1376	Various Pump Station Improvements and Generator Replacements	08/05/14	400,000.00	400,000.00	-	400,000.00
				<u>\$ 930,000.00</u>	<u>\$ -</u>	<u>\$ 930,000.00</u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 82,910.00	\$ 82,910.00	\$ 7,721.15	\$ 75,188.85
Other Expenses	296,294.82	426,718.39	146,778.17	279,940.22
Total Operating	379,204.82	509,628.39	154,499.32	355,129.07
Capital Improvements:				
Capital Outlay	30,000.00	30,000.00	-	30,000.00
Total Capital Improvements	30,000.00	30,000.00	-	30,000.00
Statutory Expenditures:				
Contributions To:				
Public Employee's Retirement System	21.00	21.00	-	21.00
Social Security System (O.A.S.I.)	7,883.97	7,883.97	590.67	7,293.30
Total Statutory Expenditures	7,904.97	7,904.97	590.67	7,314.30
Total Sewer Utility Fund Appropriations	<u>\$ 417,109.79</u>	<u>\$ 547,533.36</u>	<u>\$ 155,089.99</u>	<u>\$ 392,443.37</u>
Appropriation Reserves		\$ 417,109.79		
Encumbrances Payable		<u>130,423.57</u>		
		<u>\$ 547,533.36</u>		
Cash Disbursements			<u>\$ 155,089.99</u>	
			<u>\$ 155,089.99</u>	

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 26,000.00
Increased By:		
Appropriation Reserves		<u>-</u>
		26,000.00
Decreased By:		
Cash Disbursements	1,667.79	
Cancellation to Operations	<u>24,332.21</u>	<u>26,000.00</u>
Balance, December 31, 2015		<u><u>\$ -</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID SEWER RENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 573,960.07
Increased By:	
Collections - 2016 Sewer Rents	<u>366,343.40</u>
	940,303.47
Decreased By:	
Applied To 2015 Sewer Rents Receivable	<u>573,960.07</u>
Balance, December 31, 2015	<u><u>\$ 366,343.40</u></u>

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Amount</u>	<u>Balance</u> December 31, 2014		<u>Transferred From Encumbrances Payable</u>	<u>Paid or Charged</u>	<u>Transferred To Encumbrances Payable</u>	<u>Balance</u> December 31, 2015	
				<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
Various Pump Station Improvements	12-1334	02/07/12	\$ 530,000.00	\$ 4,106.78	\$ -	\$ 16,887.46	\$ 16,887.46	\$ -	\$ 4,106.78	\$ -
Various Pump Station Improvements and Generator Replacements	14-1376	08/05/14	400,000.00	-	400,000.00	-	61,626.13	338,373.87	-	-
				\$ 4,106.78	\$ 400,000.00	\$ 16,887.46	\$ 78,513.59	\$ 338,373.87	\$ 4,106.78	\$ -

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 and 2014

\$ 9,939,652.43

**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 530,000.00
Increased By:	
Funding of Ord. No. # 14-1376	<u>400,000.00</u>
Balance, December 31, 2015	<u><u>\$ 930,000.00</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Ordinance</u> <u>Number</u>	<u>Description</u>	Balance December 31, <u>2014</u>	Funded By Operating <u>Budget</u>	Balance December 31, <u>2015</u>
14-1376	Various Pump Station Improvements and Generator Replacements	\$ 400,000.00	\$ 400,000.00	\$ -
		<u>\$ 400,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ -</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance, December 31, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
Land	\$ 18,212,388.85	\$ 509,600.00	\$ -	\$ 18,721,988.85
Buildings	24,936,207.62	-	-	24,936,207.62
Improvements Other Than Buildings	41,291.65	-	-	41,291.65
Machinery and Equipment	10,455,089.55	114,955.84	159,657.47	10,410,387.92
	<u>\$ 53,644,977.67</u>	<u>\$ 624,555.84</u>	<u>\$ 159,657.47</u>	<u>\$ 54,109,876.04</u>

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COMMENTS AND RECOMMENDATIONS

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HOLMAN | FRENIA
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The Honorable Mayor and Members
of the Borough Council
Borough of Tinton Falls, New Jersey 07724

We have audited the financial statements – statutory basis of the Borough of Tinton Falls in the County of Monmouth for the year ended December 31, 2015.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector and the activities of the Mayor and Council and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Borough records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 for the period of January 1, 2015 to June 30, 2015 and \$40,000 for the period of July 1, 2015 to December 31, 2015, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made. The minutes indicate that bids were requested by public advertising for the following items:

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):

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

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Borough Council.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," 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.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 for the period of January 1, 2015 to June 30, 2015 and in excess of \$6,000 for the period of July 1, 2015 to December 31, 2015, thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 5, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One

Collection of Interest on Delinquent Taxes and Assessments (continued):

Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Borough also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Tax Collector’s Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2015 with the governing body.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 included real estate taxes for 2015.

The last tax sale was held on November 19, 2015 and was complete.

Inspection of 2015 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

YEAR	NUMBER OF LIENS
2015	11
2015	9
2014	8

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

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Deposit of Funds Paid to Local Unit

N.J.S.40A:5-15 States:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;
- b. be deposited to the credit of the local unit in its designated legal depository.”

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Borough employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies. No exceptions were noted.

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. There were no prior year findings.

OFFICIALS IN OFFICE

The following officials were in office at December 31, 2015:

NAME	POSITION
Gerald Turning, Sr.	Mayor
Gary Baldwin	Council President
Christopher Pak	Deputy Council President
Stephen Schertz	Council Member
Nancyanne Fama	Council Member
John Roche	Council Member
Brian M. Nelson, Esq.	Attorney
Michael F. Muscillo	Borough Administrator
Thomas P. Fallon	Chief Financial Officer
Carol Hussey	Tax Collector, Sewer Utilities Collector
Maureen L. Murphy	Borough Clerk
Scott R. Imbriaco	Tax Assessor
Susan Schroeder Clark	Magistrate
Stacy Kitson	Court Administrator

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

June 2, 2016
Freehold, New Jersey