

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

**YEAR ENDED DECEMBER 31, 2016**



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
TABLE OF CONTENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Page</u>
<u>Independent Auditor's Report</u>	1
Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Statement of Assets, Liabilities, Reserves and Fund Balance -Regulatory Basis	A 8
Statement of Operations and Changes in Fund Balance - Regulatory Basis	A-1 10
Statement of Revenues - Regulatory Basis	A-2 11
Statement of Expenditures - Regulatory Basis	A-3 12
<u>Trust Fund</u>	
Statement of Assets, Liabilities, Reserves and Fund Balance Regulatory Basis	B 22
<u>General Capital Fund</u>	
Statement of Assets, Liabilities, Reserves and Fund Balance Regulatory Basis	C 23
Statement of Fund Balance - Regulatory Basis	C-1 24
<u>Sewer Utility Fund</u>	
Statement of Assets, Liabilities, Reserves and Fund Balance Regulatory Basis	D 25
Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1 27
Statement of Fund Balance - Regulatory Basis	D-2 28
Statement of Revenues - Regulatory Basis	D-3 29
Statement of Expenditures - Regulatory Basis	D-4 30
<u>General Fixed Assets Account Group</u>	
Statement of Assets, Liabilities, Reserves and Fund Balance Regulatory Basis	E 31
<u>Notes to Financial Statements</u>	34

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
TABLE OF CONTENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Exhibit</u>	<u>Page</u>
<u>Supplementary Statements</u>		
<u>Current Fund</u>		
Schedule of Cash - Treasurer	A-4	69
Schedule of Change Funds	A-5	70
Schedule of Due From/(To) State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	71
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7	72
Schedule of Tax Title Liens Receivable	A-8	73
Schedule of Debris Liens Receivable	A-9	74
Schedule of Revenue Accounts Receivable	A-10	75
Schedule of Deferred Charges	A-11	76
Schedule of 2015 Appropriation Reserves	A-12	77
Schedule of Accounts Payable	A-13	81
Schedule of County Taxes Payable	A-14	82
Schedule of Prepaid Taxes	A-15	83
Schedule of Tax Overpayments	A-16	84
Schedule of Regional District School Tax Payable	A-17	85
Schedule of Regional District High School Tax Payable	A-18	86
Schedule of Municipal Open Space Tax Payable	A-19	87
Schedule of Fire District Taxes Payable	A-20	88
Schedule of Due To State	A-21	89
Schedule of Grants Receivable - Grant Fund	A-22	90
Schedule of Reserve for Grants - Appropriated	A-23	91
Schedule of Reserve for Grants - Unappropriated	A-24	92
<u>Supplementary Statements</u>	<u>Exhibit</u>	<u>Page</u>
<u>Trust Fund</u>		
Schedule of Cash - Treasurer	B-1	95
Schedule of Due From Community Development Block Grant Receivable	B-2	96
Schedule of Due To New Jersey State Department of Health	B-3	97
Schedule of Reserve for Animal Control Fund Expenditures	B-4	98
Schedule of Reserve for Open Space	B-5	99
Schedule of Reserve for Encumbrances	B-6	100
Schedule of Reserve for Various Trust Funds	B-7	101
Schedule of Investments - Length of Service Awards Program Fund	B-8	102
Schedule of Miscellaneous Reserves - Length of Service Awards	B-9	103

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
TABLE OF CONTENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

General Capital Fund

Schedule of Cash - Treasurer	C-2	107
Schedule of Analysis of General Capital Fund Cash	C-3	108
Schedule of Deferred Charges To Future Taxation - Funded	C-4	109
Schedule of Deferred Charges To Future Taxation - Unfunded	C-5	110
Schedule of Serial Bonds Payable	C-6	111
Schedule of Bond Anticipation Notes	C-7	115
Schedule of Green Trust Loan Program	C-8	116
Schedule of Accounts Payable	C-9	117
Schedule of Improvement Authorizations	C-10	118
Schedule of Capital Improvement Fund	C-11	119
Schedule of Miscellaneous Reserves	C-12	120
Schedule of Bonds and Notes Authorized But Not Issued	C-13	121

Supplementary Statements

Exhibit      Page

Sewer Utility Fund

Schedule of Cash - Treasurer	D-5	125
Schedule of Sewer Utility Capital Cash	D-6	126
Schedule of Consumer Accounts Receivable	D-7	127
Schedule of Fixed Capital	D-8	128
Schedule of Fixed Authorized and Uncompleted	D-9	129
Schedule of 2015 Appropriation Reserves	D-10	130
Schedule of Accounts Payable	D-11	131
Schedule of Prepaid Sewer Rents	D-12	132
Schedule of Improvement Authorizations	D-13	133
Schedule of Reserve for Amortization	D-14	134
Schedule of Deferred Reserve for Amortization	D-15	135
Schedule of Bonds and Notes Authorized but Not Issued	D-16	136
Schedule of Sewer Liens Receivable	D-17	137

General Fixed Assets Account Group

Schedule of General Fixed Assets	E-1	141
----------------------------------	-----	-----

Comments Section

Scope of Audit	145
Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4	146
Contracts and Agreements Requiring Solicitation of Quotations	146
Collection of Interest on Delinquent Taxes and Assessments	146
Tax Collector's Annual Report	147
Deductions from Taxes	147
Examination of Bills	148
Deposit of Funds Paid to Local Unit	148
Payroll Fund	148
Prior Year Findings	148
Officials in Office	149
Acknowledgement	150



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

\*\*\*\*\*





## **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 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, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 Accounting Principles Generally Accepted in the United States of America**

As discussed in Note 1 to the financial statements, the Borough of Tinton Falls 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 Accounting Principles Generally Accepted in the United States of America**

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, 2016 and 2015, 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, 2016 and 2015. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 8.41% and 5.88% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2016 and 2015.

#### **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, 2016 and 2015, 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, 2016 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.

## **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 30, 2017, 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 30, 2017

***This page intentionally left blank.***

**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***

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-regulatory basis of the Borough of Tinton Falls (herein referred to as "the Municipality"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated June 30, 2017. Our report indicated that the Municipality's 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.

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 of Tinton Falls's financial statements as of and for the year ended December 31, 2016. 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 Municipality'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 Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality'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 Municipality'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 Municipality'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 Municipality'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 Municipality'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

Freehold, New Jersey  
June 30, 2017

## **BASIC FINANCIAL STATEMENTS**

*This page intentionally left blank*



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Cash	A-4	\$ 14,393,378.55	\$ 12,700,164.52
Cash - Change Fund	A-5	825.00	825.00
Due From State of New Jersey - Seniors' and Veterans' Deductions	A-6	1,567.91	4,567.91
		<u>14,395,771.46</u>	<u>12,705,557.43</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	932,448.00	654,794.99
Tax Title Liens Receivable	A-8	74,898.21	52,128.48
Debris Liens Receivable	A-9	-	563.09
Revenue Accounts Receivable	A-10	32,562.93	36,406.99
Due From Fire/EMS/School - Fuel	A	-	5,651.75
		<u>1,039,909.14</u>	<u>749,545.30</u>
		<u>15,435,680.60</u>	<u>13,455,102.73</u>
Grant Fund:			
Cash	A-4	265,523.87	348,517.09
Grants Receivable	A-21	291,900.00	291,900.00
Due From Sewer Operating	A-24	3,225.36	-
Total Grant Fund		<u>560,649.23</u>	<u>640,417.09</u>
Total Assets		<u>\$ 15,996,329.83</u>	<u>\$ 14,095,519.82</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 ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3	\$ 1,141,522.31	\$ 849,624.84
Encumbrances Payable	A-3	417,139.27	397,110.98
Due to State of NJ	A-11	7,636.00	12,537.00
Accounts Payable	A-13	118,539.02	117,739.02
County Taxes Payable	A-14	221,370.39	80,835.08
Prepaid Taxes	A-15	342,491.76	373,309.87
Tax Overpayments	A-16	12,359.47	12,682.94
Regional District School Tax Payable	A-17	2,731,381.77	2,265,847.03
Regional District High School Tax Payable	A-18	4,101,818.46	3,792,216.47
		<hr/>	<hr/>
		9,094,258.45	7,901,903.23
Reserve for Receivables	A	1,039,909.14	749,545.30
Fund Balance	A-1	5,301,513.01	4,803,654.20
		<hr/>	<hr/>
		15,435,680.60	13,455,102.73
		<hr/>	<hr/>
Grant Fund:			
Encumbrances Payable	A-22	16,691.73	53,392.28
Reserve for Grants:			
Appropriated	A-22	538,175.12	583,911.95
Unappropriated	A-23	5,782.38	3,112.86
		<hr/>	<hr/>
Total Grant Fund		560,649.23	640,417.09
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		\$ 15,996,329.83	\$ 14,095,519.82
		<hr/>	<hr/>

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 OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 3,525,000.00	\$ 3,750,000.00
Miscellaneous Revenue Anticipated	A-2	6,633,878.31	6,663,730.90
Receipts From Delinquent Taxes	A-2	657,368.01	550,003.42
Receipts From Current Taxes	A-2,4-A	62,983,276.94	60,405,342.54
Non-Budget Revenue	A-2,1-A	1,131,108.30	930,407.54
Other Credit To Income:			
Unexpended Balance of Appropriation Reserves	A-12	873,544.41	859,715.63
Grant Appropriations Cancellation	A-23	-	24,054.35
Due From Fire/EMS/School - Fuel	A,1-A	5,651.75	-
Cancellation of Outstanding Checks	A-1	<u>77.00</u>	<u>-</u>
Total Revenue		<u>75,809,904.72</u>	<u>73,183,254.38</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	10,942,312.00	10,742,612.00
Other Expenses	A-3	7,260,820.00	7,084,987.00
Deferred Charges and Statutory	A-3	2,406,859.00	2,312,615.00
Appropriations Excluded From "CAPS":			
Operations:			
Other Expenses	A-3	527,579.93	580,602.89
Capital Improvements	A-3	154,000.00	121,700.00
Municipal Debt Service	A-3	2,349,277.42	2,445,642.03
Deferred Charges	A-3	-	110,203.44
County Taxes	A-14	9,584,017.08	9,410,531.03
Regional District School Tax	A-17	23,076,751.00	21,878,336.00
Regional District High School Tax	A-18	12,744,100.00	12,124,896.00
Municipal Open Space Tax	A-19	686,135.10	663,655.49
Special District Taxes	A-20	1,924,306.00	1,868,637.00
Due From State of New Jersey - Senior			
Citizens' Deductions Disallowed	A-6	2,863.01	2,056.16
Grant Receivables Canceled	A-22	-	15,351.95
Refund of Prior Year Revenue	A-1	2,613.60	-
Prior Year Tax Appeal Refunds	A-1	125,411.77	144,076.88
Receivable from Other Entities-Fuel	A-1	<u>-</u>	<u>5,651.75</u>
Total Expenditures		<u>71,787,045.91</u>	<u>69,511,554.62</u>
Excess in Revenue		4,022,858.81	3,671,699.76
Fund Balance, January 1		<u>4,803,654.20</u>	<u>4,881,954.44</u>
		8,826,513.01	8,553,654.20
Decreased By:			
Utilized as Anticipated Revenue		<u>3,525,000.00</u>	<u>3,750,000.00</u>
Fund Balance, December 31		<u>\$ 5,301,513.01</u>	<u>\$ 4,803,654.20</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, 2016**

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 3,525,000.00	\$ -	\$ 3,525,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	35,000.00	-	37,930.00	2,930.00
Other	20,000.00	-	28,601.00	8,601.00
Fees and Permits	325,000.00	-	381,123.82	56,123.82
Fines and Costs:				
Municipal Court	558,000.00	-	502,940.78	(55,059.22)
Interest and Costs on Taxes	109,000.00	-	141,883.02	32,883.02
Interest on Investments and Deposits	40,000.00	-	41,388.06	1,388.06
Commercial Garbage Fees	60,000.00	-	60,156.50	156.50
Energy Receipts Tax	1,490,459.00	-	1,490,459.00	-
Uniform Construction Code Fees	318,000.00	-	519,271.00	201,271.00
Host Municipalities Act	1,600,000.00	-	2,048,554.85	448,554.85
Franchise Fees	281,000.00	-	281,996.91	996.91
Open Space Trust:				
Interest on Notes	8,343.00	-	8,343.00	-
Bond Principal	82,168.00	-	82,168.00	-
Interest on Bonds	54,567.00	-	54,567.00	-
Hotel Occupancy Tax	340,000.00	-	406,546.38	66,546.38
Capital Surplus	5,000.00	-	5,000.00	-
PILOT - CommVault	170,000.00	-	226,966.40	56,966.40
Municipal Court Services - Monmouth Beach & Eatontown	185,000.00	-	206,227.66	21,227.66
Public and Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant	54,253.02	-	54,253.02	-
Monmouth County Historical Grant	1,851.00	-	1,851.00	-
Body Armor Replacement Fund	180.00	-	180.00	-
Clean Communities Program	-	50,701.05	50,701.05	-
Municipal Court Alcohol Education & Rehab	2,769.86	-	2,769.86	-
Total Miscellaneous Revenues	5,740,590.88	50,701.05	6,633,878.31	842,586.38
Receipts From Delinquent Taxes	600,000.00	-	657,368.01	57,368.01
Property Taxes for Support of Municipal				
Budget Appropriations:				
Local Tax for Municipal Purposes	14,694,979.34	-	15,838,514.10	1,143,534.76
Budget Totals	24,560,570.22	50,701.05	26,654,760.42	2,043,489.15
Non-Budget Revenue	-	-	1,131,108.30	1,131,108.30
	<u>\$ 24,560,570.22</u>	<u>\$ 50,701.05</u>	<u>\$ 27,785,868.72</u>	<u>\$ 3,174,597.45</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, 2016**

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	\$ 62,983,276.94
Allocated To School, County, and Municipal Open Space Taxes	<u>48,015,309.18</u>
Balance for Support of Municipal Budget Appropriations	14,967,967.76
Add: Appropriation "Reserve for Uncollected Taxes"	<u>870,546.34</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 15,838,514.10</u></u>

Receipts From Delinquent Taxes:

Delinquent Tax Collections	<u><u>\$ 657,368.01</u></u>
----------------------------	-----------------------------

Fees & Permits:

Building	\$ 108,750.00
Police	32,556.05
Zoning	20,231.42
Planning	38,790.80
Recreation	176,137.55
Other Fees/Permits	<u>4,658.00</u>
	<u><u>\$ 381,123.82</u></u>

Miscellaneous Revenue Not Anticipated:

Payment in Lieu of Taxes:	
Ranney School	\$ 36,836.72
Tinton Falls Senior L.P.	34,625.00
Pines II at Tinton Falls	57,277.00
Meadowbrook II	37,844.00
Pine I at Tinton Falls	48,617.00
FEMA Reimbursements	9,387.05
State of New Jersey Fire Safety Bureau	39,905.59
Fire Prevention Fees	94,199.00
Debris Liens	2,660.68
State of New Jersey Inspection Fines	5,832.00
Sale of Scrap	26,874.68
6% Interest - Tax Penalty	8,200.64
Sale of Garbage Cans	1,375.00
Prior Year Reimbursements	63,520.20
Development Impact Fees	475,000.00
NSF Check Fees	260.00
Copies	22.70
Postage	165.41
Off Duty Administration Fees	120,000.00
T-Mobile Cell Site Lease	28,830.00
Library Rent	1.00
Vending Commission	315.00
ATM Commission	372.75
Municipal Court Reconciling Items	2,186.10
Inspection Fees - Street Openings	8,600.00
Senior Citizen & Vets Admin Fees	2,257.74
Miscellaneous	<u>25,943.04</u>
	<u><u>\$ 1,131,108.30</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, 2016**

	<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>
General Appropriations						
Operations - Within "CAPS"						
GENERAL APPROPRIATIONS						
Borough Council:						
Salaries and Wages	23,001.00	23,001.00	22,750.25	-	250.75	-
Other Expenses	5,940.00	5,940.00	228.98	-	5,711.02	-
Office of the Mayor:						
Salaries and Wages	6,001.00	6,001.00	6,000.21	-	0.79	-
Other Expenses	8,000.00	8,000.00	3,591.36	-	4,408.64	-
Municipal Clerk:						
Salaries and Wages	154,500.00	154,500.00	151,979.06	-	2,520.94	-
Other Expenses	54,960.00	54,960.00	21,535.18	5,406.94	28,017.88	-
Office of the Tax Assessor:						
Salaries and Wages	120,000.00	120,000.00	99,931.05	-	20,068.95	-
Other Expenses	59,625.00	59,625.00	39,573.85	15,294.60	4,756.55	-
Division of Administration:						
Salaries and Wages	378,000.00	378,000.00	373,599.80	-	4,400.20	-
Other Expenses	91,270.00	101,270.00	88,898.16	7,832.47	4,539.37	-
Human Resources:						
Salaries and Wages	102,200.00	102,200.00	102,037.06	-	162.94	-
Other Expenses	1,980.00	1,980.00	767.02	301.22	911.76	-
Division of Central Services:						
Salaries and Wages	122,600.00	122,600.00	120,099.51	-	2,500.49	-
Other Expenses:						
Miscellaneous Other Expenses	47,400.00	47,400.00	41,533.56	1,096.08	4,770.36	-
Division of Engineering:						
Other Expenses	110,000.00	110,000.00	88,148.14	9,051.86	12,800.00	-
Historical Sites Office:						
Other Expenses	5,000.00	5,000.00	4,892.35	-	107.65	-

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, 2016**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u> <u>Cancelled</u>
Division of Law:					
Salaries and Wages	171,500.00	171,500.00	171,444.33	-	55.67
Other Expenses	130,000.00	130,000.00	45,679.28	44,950.63	-
Division of Central Maintenance:					
Salaries and Wages	434,000.00	434,000.00	356,190.02	-	77,809.98
Other Expenses	312,867.00	312,867.00	248,561.65	46,894.21	-
Division of Streets:					
Salaries and Wages	493,000.00	508,000.00	494,646.45	-	13,353.55
Other Expenses	227,545.00	227,545.00	102,138.23	54,828.94	-
Division of Sanitation:					
Salaries and Wages	1,196,000.00	1,181,000.00	1,121,673.01	-	59,326.99
Other Expenses:					
Landfill/Solid Waste Disposal Costs	71,500.00	71,500.00	58,429.27	6,000.00	-
Miscellaneous Other Expenses	27,130.00	27,130.00	14,167.83	7,004.60	-
Division of Buildings and Grounds:					
Salaries and Wages	327,000.00	327,000.00	305,832.90	-	21,167.10
Other Expenses	95,909.00	95,909.00	71,945.58	17,845.14	-
Maintenance of Parks:					
Salaries and Wages	391,000.00	391,000.00	369,534.63	-	21,465.37
Other Expenses	47,765.00	47,765.00	38,900.63	6,573.08	-
Shade Tree:					
Other Expenses	1,400.00	1,400.00	120.00	350.00	-
Community Services Act:					
Other Expenses	95,000.00	99,000.00	98,235.00	-	765.00
Police:					
Salaries and Wages	4,874,000.00	4,874,000.00	4,764,080.66	-	109,919.34
Other Expenses	304,265.00	304,265.00	281,438.19	22,539.78	-
Division of Emergency Management:					
Salaries and Wages	60,000.00	60,000.00	58,355.21	-	1,644.79
Other Expenses	46,785.00	46,785.00	34,189.95	11,774.46	-

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, 2016**

	<u>Appropriations</u>		<u>Expended</u>			
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Municipal Prosecutor:						
Salaries and Wages	38,005.00	38,005.00	38,000.07	-	4.93	-
Other Expenses	4,000.00	4,000.00	-	-	4,000.00	-
Division of Finance:						
Salaries and Wages	246,000.00	246,000.00	236,672.37	-	9,327.63	-
Other Expenses:						
Miscellaneous Other Expenses	11,200.00	11,200.00	10,339.30	454.48	406.22	-
Auditing Services	29,000.00	29,000.00	-	29,000.00	-	-
Division of Revenue:						
Salaries and Wages	189,000.00	189,000.00	188,293.95	-	706.05	-
Other Expenses	18,650.00	18,650.00	15,904.46	1,040.53	1,705.01	-
Division of Health:						
Other Expenses:						
First Aid	100,000.00	100,000.00	100,000.00	-	-	-
Miscellaneous Other Expenses	148,300.00	148,300.00	147,921.00	-	379.00	-
Environmental Health Services:						
Other Expenses	35,100.00	35,100.00	31,360.00	-	3,740.00	-
Contribution To Social Service Agencies:						
Other Expenses	19,700.00	19,700.00	16,495.00	-	3,205.00	-
Alliance Program:						
Other Expenses	8,200.00	8,200.00	7,699.90	-	500.10	-
Division of Recreation:						
Salaries and Wages	325,000.00	325,000.00	307,716.87	-	17,283.13	-
Other Expenses	170,801.00	170,801.00	118,942.49	13,747.26	38,111.25	-
Municipal Library:						
Other Expenses	140,500.00	140,500.00	140,500.00	-	-	-

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, 2016**

	<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	152.00	26,474.35	1,373.65	-
Division of Planning:						
Salaries and Wages	44,000.00	44,000.00	32,898.50	-	11,101.50	-
Other Expenses	41,915.00	41,915.00	16,122.66	20,054.07	5,738.27	-
Division of Zoning:						
Salaries and Wages	40,000.00	40,000.00	30,947.16	-	9,052.84	-
Other Expenses	33,328.00	33,328.00	14,865.76	13,838.00	4,624.24	-
Division of Code Enforcement:						
Salaries and Wages	161,000.00	161,000.00	152,153.06	-	8,846.94	-
Other Expenses	4,330.00	4,330.00	3,352.14	408.07	569.79	-
Division of Fire Prevention:						
Salaries and Wages	138,000.00	138,000.00	119,112.40	-	18,887.60	-
Other Expenses	7,230.00	7,230.00	3,942.26	1,333.43	1,954.31	-
Animal Control Services:						
Other Expenses	24,000.00	24,000.00	24,000.00	-	-	-
Municipal Court:						
Salaries and Wages	514,000.00	514,000.00	484,365.90	-	29,634.10	-
Other Expenses	31,955.00	31,955.00	22,723.53	3,084.89	6,146.58	-
Public Defender:						
Salaries and Wages	21,505.00	21,505.00	11,500.10	-	10,004.90	-
Other Expenses	800.00	800.00	-	-	800.00	-
Public Employees Occupational Safety and Health Act:						
Other Expenses	3,500.00	3,500.00	350.00	175.00	2,975.00	-

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, 2016**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved Cancelled</u>
<b>INSURANCE</b>					
Liability Insurance	3,667,000.00	3,667,000.00	3,601,697.77	-	65,302.23
<b>UNIFORM CONSTRUCTION CODE APPROPRIATIONS</b>					
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code:					
Salaries and Wages	373,000.00	373,000.00	323,846.86	-	49,153.14
Other Expenses	9,970.00	9,970.00	6,904.41	257.81	2,807.78
<b>UNCLASSIFIED</b>					
Electricity	184,000.00	184,000.00	166,587.32	17,379.93	32.75
Street Lighting	116,000.00	116,000.00	92,968.17	-	23,031.83
Telephone	123,000.00	123,000.00	100,972.23	-	22,027.77
Water	15,000.00	15,000.00	10,877.34	1,100.00	3,022.66
Gas	50,000.00	50,000.00	34,037.63	1,090.26	14,872.11
Fuel Oil	270,000.00	256,000.00	180,996.00	20,601.66	54,402.34
Telecommunications	81,000.00	81,000.00	61,215.83	854.75	18,929.42
Accumulated Leave Compensation	140,000.00	140,000.00	140,000.00	-	-
<b>Total Operations - Within "CAPS"</b>	<b>18,203,132.00</b>	<b>18,203,132.00</b>	<b>16,797,562.80</b>	<b>408,638.50</b>	<b>996,930.70</b>
<b>Detail:</b>					
Salaries and Wages	10,942,312.00	10,942,312.00	10,443,661.39	-	498,650.61
Other Expenses	7,260,820.00	7,260,820.00	6,353,901.41	408,638.50	498,280.09

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, 2016**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u> <u>Cancelled</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Expenditures:					
Contribution To:					
Public Employees Retirement System	585,000.00	585,000.00	585,000.00	-	-
Social Security System (O.A.S.I.)	790,000.00	790,000.00	726,312.49	-	63,687.51
Police and Firemen's Retirement System of N.J	1,026,859.00	1,026,859.00	1,026,859.00	-	-
Defined Contribution Retirement Program	5,000.00	5,000.00	2,277.35	-	2,722.65
<b>Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"</b>	<b>2,406,859.00</b>	<b>2,406,859.00</b>	<b>2,340,448.84</b>	<b>-</b>	<b>66,410.16</b>
<b>Total General Appropriations for Municipal Purposes - Within "CAPS"</b>	<b>20,609,991.00</b>	<b>20,609,991.00</b>	<b>19,138,011.64</b>	<b>408,638.50</b>	<b>1,063,340.86</b>
Other Operations - Excluded from "CAPS":					
Emergency Telecommunications System - 911 System	25,522.00	25,522.00	25,521.93	-	0.07
LOSAP - Volunteer Ambulance	50,100.00	50,100.00	-	-	50,100.00
NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):					
Division of Streets:					
Other Expenses	14,075.00	14,075.00	8,460.19	3,421.26	2,193.55
Recycling Tax	3,000.00	3,000.00	1,953.66	250.00	796.34
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>92,697.00</b>	<b>92,697.00</b>	<b>35,935.78</b>	<b>3,671.26</b>	<b>53,089.96</b>

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, 2016**

	<u>Appropriations</u>		<u>Expended</u>			
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</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	81,345.25	21.75	13,633.00	-
Total Interlocal Municipal Service Agreements	320,268.00	320,268.00	306,612.55	21.75	13,633.70	-
Public and Private Programs Offset By Revenues:						
SFSP Fire District Payment	4,860.00	4,860.00	4,860.00	-	-	-
Body Armor Replacement Fund	180.00	180.00	180.00	-	-	-
Recycling Tonnage Grant	54,253.02	54,253.02	54,253.02	-	-	-
Clean Communities Program	50,701.05	50,701.05	50,701.05	-	-	-
Municipal Court Alcohol Education & Rehab	2,769.86	2,769.86	2,769.86	-	-	-
Monmouth County Historical Grant	1,851.00	1,851.00	1,851.00	-	-	-
Total Public and Private Programs Offset By Revenues	114,614.93	114,614.93	114,614.93	-	-	-
Total Operations - Excluded from "CAPS"	527,579.93	527,579.93	457,163.26	3,693.01	66,723.66	-
Detail:						
Other Expenses	527,579.93	527,579.93	457,163.26	3,693.01	66,723.66	-

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, 2016**

	<u>Appropriations</u>		<u>Expended</u>			
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Capital Improvements - Excluded From "CAPS":						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-	-
Purchase of Automated Refuse Containers	60,000.00	60,000.00	58,487.80	-	1,512.20	-
Historic - Crawford House	4,000.00	4,000.00	4,000.00	-	-	-
Improvements to Library	40,000.00	40,000.00	25,246.65	4,807.76	9,945.59	-
<b>Total Capital Improvements - Excluded From "CAPS"</b>	<b>154,000.00</b>	<b>154,000.00</b>	<b>137,734.45</b>	<b>4,807.76</b>	<b>11,457.79</b>	<b>-</b>
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,615,000.00	1,615,000.00	1,615,000.00	-	-	-
Payment of Bond Anticipation Notes & Capital Notes	25,000.00	25,000.00	24,576.57	-	-	423.43
Interest on Bonds	747,680.00	747,680.00	648,228.43	-	-	99,451.57
Interest on Notes	15,473.00	15,473.00	15,472.40	-	-	0.60
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	46,001.00	46,001.00	46,000.02	-	-	0.98
<b>Total Municipal Debt Service - Excluded From "CAPS"</b>	<b>2,449,154.00</b>	<b>2,449,154.00</b>	<b>2,349,277.42</b>	<b>-</b>	<b>-</b>	<b>99,876.58</b>

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, 2016**

	<u>Appropriations</u>		<u>Expended</u>			
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	3,130,733.93	3,130,733.93	2,944,175.13	8,500.77	78,181.45	99,876.58
Subtotal General Appropriations	23,740,724.93	23,740,724.93	22,082,186.77	417,139.27	1,141,522.31	99,876.58
Reserve for Uncollected Taxes	870,546.34	870,546.34	870,546.34	-	-	-
Total General Appropriations	\$ 24,611,271.27	\$ 24,611,271.27	\$ 22,952,733.11	\$ 417,139.27	\$ 1,141,522.31	\$ 99,876.58
Budget as Adopted	\$ 24,560,570.22					
Added by N.J.S. 40A:4-87	50,701.05					
Analysis of Paid or Charged:	\$ 24,611,271.27					
Reserve for Uncollected Taxes		\$ 870,546.34				
Cash Disbursed		21,967,571.84				
Reserve for Appropriated Grants		<u>114,614.93</u>				
		\$ 22,952,733.11				

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

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015**

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Animal Control Trust Fund:			
Cash - Treasurer	B-1	\$ 7,357.23	\$ 7,116.43
Cash - Change Fund	B	30.00	30.00
		<u>7,387.23</u>	<u>7,146.43</u>
Open Space Trust:			
Cash - Treasurer	B-1	527,972.28	1,190,981.23
		<u>527,972.28</u>	<u>1,190,981.23</u>
Other Trust Funds:			
Cash - Treasurer	B-1	4,443,748.26	5,308,360.69
Off Duty Police Receivable	B-2	2,027.75	-
Mortgage Receivable	B	300,000.00	300,000.00
		<u>4,745,776.01</u>	<u>5,608,360.69</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	B-8	485,031.81	424,983.71
Total Assets		<u>\$ 5,766,167.33</u>	<u>\$ 7,231,472.06</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Trust Fund:			
Encumbrances Payable	B-4	\$ 2,559.00	\$ 2,559.00
Reserve for Animal Control Fund Expenditures	B-4	4,827.03	4,583.23
Due to State of New Jersey	B-3	1.20	4.20
		<u>7,387.23</u>	<u>7,146.43</u>
Open Space Trust Fund:			
Reserve for Open Space	B-5	415,209.08	949,382.01
Encumbrances Payable	B-6	112,763.20	241,599.22
		<u>527,972.28</u>	<u>1,190,981.23</u>
Other Trust Funds:			
Encumbrances Payable	B-7	84,606.26	19,957.80
Reserve for Miscellaneous Trust Funds	B-7	4,361,169.75	5,288,402.89
Mortgage Receivable	B	300,000.00	300,000.00
		<u>4,745,776.01</u>	<u>5,608,360.69</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Miscellaneous Reserves	B-9	485,031.81	424,983.71
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,766,167.33</u>	<u>\$ 7,231,472.06</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  
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015**

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Cash and Investments	C-2,C-3	\$ 2,621,904.83	\$ 1,813,757.80
DOT Grant Receivable	C-9	62,500.00	-
Deferred Charges To Future Taxation:			
Funded	C-4	17,042,772.28	18,947,642.68
Unfunded	C-5	<u>3,919,000.00</u>	<u>3,464,271.00</u>
Total Assets		<u>\$ 23,646,177.11</u>	<u>\$ 24,225,671.48</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-6	\$ 17,020,000.00	\$ 18,880,000.00
Bond Anticipation Notes	C-7	3,919,000.00	2,821,000.00
Green Trust Loan Program	C-8	22,772.28	67,642.68
Encumbrances Payable	C-10	938,630.93	403,548.08
Improvement Authorizations:			
Funded	C-10	708,982.17	1,113,850.93
Unfunded	C-10	345,800.00	643,694.43
Capital Improvement Fund	C-11	38,477.00	74,477.00
Miscellaneous Reserves	C-12	651,257.49	216,277.41
Fund Balance	C-1	<u>1,257.24</u>	<u>5,180.95</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 23,646,177.11</u>	<u>\$ 24,225,671.48</u>

There were Bonds & Notes Authorized but not Issued on December 31, 2016 of \$0.00 and on December 31, 2015 was \$643,271.00.



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 5,180.95
Increased By:	
Cancel Improvement Authorization - Funded	<u>1,076.29</u>
	6,257.24
Decreased By:	
Anticipated as Revenue - Current Fund	<u>5,000.00</u>
Balance, December 31, 2016	<u><u>\$ 1,257.24</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  
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	4,130,760.04	3,255,605.96
Cash - Change Fund	D	<u>50.00</u>	<u>50.00</u>
		<u>4,130,810.04</u>	<u>3,255,655.96</u>
Receivables With Full Reserves:			
Sewer Rent Receivable	D-7	155,309.05	142,147.12
Sewer Liens Receivable	D-17	<u>801.14</u>	<u>-</u>
Total Operating Fund		<u>4,286,920.23</u>	<u>3,397,803.08</u>
Capital Fund:			
Cash	D-5,D-6	34,165.55	347,159.29
Fixed Capital	D-8	10,699,962.55	9,939,652.43
Fixed Capital Authorized and Completed	D-9	<u>400,000.00</u>	<u>930,000.00</u>
Total Capital Fund		<u>11,134,128.10</u>	<u>11,216,811.72</u>
Total Assets		<u>\$ 15,421,048.33</u>	<u>\$ 14,614,614.80</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  
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	D-4	\$ 587,093.81	\$ 439,488.52
Encumbrances Payable	D-4	526,431.60	256,064.79
Accounts Payable	D-11	26,616.23	-
Prepaid Sewer Rents	D-12	375,937.57	366,343.40
Due To Grant Fund	D-16	<u>3,225.36</u>	<u>-</u>
		1,519,304.57	1,061,896.71
Reserve for Receivables	D	156,110.19	142,147.12
Fund Balance	D-1	<u>2,611,505.47</u>	<u>2,193,759.25</u>
Total Operating Fund		<u>4,286,920.23</u>	<u>3,397,803.08</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-13	8,152.88	4,106.78
Encumbrances Payable	D-13	21,334.03	338,373.87
Reserve for:			
Amortization	D-14	10,699,962.55	9,939,652.43
Deferred Amortization	D-15	400,000.00	930,000.00
Fund Balance	D-2	<u>4,678.64</u>	<u>4,678.64</u>
Total Capital Fund		<u>11,134,128.10</u>	<u>11,216,811.72</u>
Total Liabilities, Reserves and Fund Balances		<u><u>\$ 15,421,048.33</u></u>	<u><u>\$ 14,614,614.80</u></u>

There were Bonds & Notes Authorized but not Issued on December 31, 2016 of \$0.00 and on December 31, 2015 was \$0.00.

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 900,000.00	\$ 1,350,000.00
Sewer Rents	D-3	3,972,826.95	3,873,031.06
Non-Budget Revenue	D-3	616,229.56	1,361,208.63
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	D-10	428,989.71	392,443.37
Accounts payable Cancelled	D-11	-	24,332.31
Cancellation of Sewer Overpayments	D	-	357.41
		<hr/>	<hr/>
Total Revenue		5,918,046.22	7,001,372.78
		<hr/>	<hr/>
Expenditures:			
Operating	D-4	3,898,177.00	4,346,412.00
Capital Improvements	D-4	600,000.00	300,000.00
Deferred Charges and Statutory			
Expenditures	D-4	102,123.00	510,880.00
		<hr/>	<hr/>
Total Expenditures		4,600,300.00	5,157,292.00
		<hr/>	<hr/>
Excess in Revenue		1,317,746.22	1,844,080.68
Fund Balance, January 1	D	2,193,759.25	1,699,678.57
		<hr/>	<hr/>
		3,511,505.47	3,543,759.25
Decreased By:			
Utilized as Anticipated Revenue	D-1	900,000.00	1,350,000.00
		<hr/>	<hr/>
Fund Balance, December 31		<u>\$ 2,611,505.47</u>	<u>\$ 2,193,759.25</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  
STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 and 2015

\$ 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, 2016**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Utilized	\$ 900,000.00	\$ 900,000.00	\$ -
Sewer Rents	3,700,300.00	3,972,826.95	272,526.95
Miscellaneous Revenue Not Anticipated	-	616,229.56	616,229.56
	<u>\$ 4,600,300.00</u>	<u>\$ 5,489,056.51</u>	<u>\$ 888,756.51</u>

Analysis of Realized Revenues

Sewer Rents:		
	Collections	\$ 3,606,483.55
	Prepaid Sewer Rents Applied	<u>366,343.40</u>
		<u>\$ 3,972,826.95</u>
Miscellaneous:		
	Interest on Investments	\$ 12,771.94
	Delinquent Charges	25,053.84
	Sewer Connection Charge	566,043.78
	Miscellaneous Revenue	<u>12,360.00</u>
		<u>\$ 616,229.56</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, 2016**

	Appropriations		Expended			
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:						
Salaries and Wages	\$ 618,000.00	\$ 618,000.00	\$ 597,633.30	\$ -	\$ 20,366.70	\$ -
Other Expenses	3,280,177.00	3,280,177.00	2,772,762.23	69,306.76	438,108.01	-
Total Operating	3,898,177.00	3,898,177.00	3,370,395.53	69,306.76	458,474.71	-
Capital Improvements:						
Capital Outlay	600,000.00	600,000.00	16,035.49	457,124.84	126,839.67	-
Total Capital Improvements	600,000.00	600,000.00	16,035.49	457,124.84	126,839.67	-
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	53,123.00	53,123.00	53,123.00	-	-	-
Social Security System (O.A.S.I.)	47,500.00	47,500.00	45,720.57	-	1,779.43	-
Unemployment Compensation Insurance	1,500.00	1,500.00	1,500.00	-	-	-
Total Statutory Expenditures	102,123.00	102,123.00	100,343.57	-	1,779.43	-
Total Sewer Utility Appropriations	\$ 4,600,300.00	\$ 4,600,300.00	\$ 3,486,774.59	\$ 526,431.60	\$ 587,093.81	\$ -
Cash Disbursements			3,483,549.23			
Due to Grant Fund			<u>3,225.36</u>			
			<u>3,486,774.59</u>			

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  
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015**

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Land	E-1	\$ 18,685,888.85	\$ 18,721,988.85
Buildings	E-1	24,731,266.24	24,936,207.62
Improvements Other Than Buildings	E-1	41,291.65	41,291.65
Machinery and Equipment	E-1	<u>10,633,004.26</u>	<u>10,410,387.92</u>
Total Assets		<u>\$ 54,091,451.00</u>	<u>\$ 54,109,876.04</u>
 <u>Fund Balance</u>			
Investment in Fixed Assets	E-1	<u>\$ 54,091,451.00</u>	<u>\$ 54,109,876.04</u>
Fund Balance		<u>\$ 54,091,451.00</u>	<u>\$ 54,109,876.04</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, 2016**

***This page intentionally left blank***

## **BOROUGH OF TINTON FALLS**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016**

#### **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, 2016

#### 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, 2016**

#### **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, 2016**

#### **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, 2015 and decreased by the amount deferred at December 31, 2016.

**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, 2016

#### **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, 2016

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

**Subsequent Events** – The Township has evaluated subsequent events through June 30, 2017, 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, 2016, the Borough implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the Borough is required to measure certain investments at fair value for financial reporting purposes. In addition, the Borough is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the Borough's financial statements.

The Borough implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the Borough's financial statements.

The Borough implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the Borough's financial statements.

##### Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management does not expect this Statement to impact the Borough's financial statements.



## BOROUGH OF TINTON FALLS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

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

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended December 31, 2018. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2018. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Borough's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Borough's financial statements.

## BOROUGH OF TINTON FALLS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

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

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Borough's financial statements.

#### Note 2. Cash

**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 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, 2016, the Borough's bank balances of \$27,472,256.11 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$ 5,382,874.96
Insured Under F.D.I.C.	750,000.00
New Jersey Cash Management	622,107.45
Collateralized Under GUDPA	<u>20,717,273.70</u>
Total	<u>\$ 27,472,256.11</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, 2016 the Borough's balance of investments was \$485,031.81, which consisted of mutual funds for the Borough's Length of Service Awards Program in the amount of \$485,031.81, which are not exposed to custodial credit risk because the investments securities are registered in the Borough's name.

## BOROUGH OF TINTON FALLS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

#### Note: 3: Investments (continued):

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, 2016 balance of \$485,031.81 all of it is recorded in the Trust Fund – LOSAP.

#### 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

	2016	2015	2014
Total Tax Rate	<u>\$2.032</u>	<u>\$2.007</u>	<u>\$2.097</u>
Apportionment of Tax Rate:			
Municipal	0.515	0.504	0.517
County	0.315	0.320	0.342
Local School District	0.774	0.768	0.804
Regional High School	0.428	0.415	0.434

##### Net Valuation Taxable:

2016	<u>\$ 2,981,053,901.00</u>	
2015	<u>\$ 2,924,903,485.00</u>	
2014		<u>\$ 2,707,366,172.00</u>

**BOROUGH OF TINTON FALLS****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2016****Note: 4: Property Taxes (continued):****Comparison of Tax Levies and Collection Currently**

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2016	\$ 63,965,319.60	\$ 62,983,276.94	98.46%
2015	61,116,926.90	60,405,342.54	98.83%
2014	59,147,462.40	58,586,370.54	99.05%

**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
2016	\$ 74,898.21	\$ 932,448.00	\$ 1,007,346.21	1.57%
2015	52,128.48	654,794.99	706,923.47	1.16%
2014	38,176.13	550,370.06	588,546.19	1.00%

**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
2016	\$ 142,147.12	\$ 3,986,711.49	\$ 4,128,858.61	\$ 3,972,826.95	96.22%
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%

**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, 2016.

# BOROUGH OF TINTON FALLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

### 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
<b>CURRENT FUND:</b>			
2016	\$ 5,301,513.01	\$ 3,375,000.00	63.66%
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%

### SEWER UTILITY FUND:

2016	\$ 2,611,505.47	\$ 1,200,000.00	45.95%
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%

### 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 Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.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

## BOROUGH OF TINTON FALLS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

#### Note 8. Pension Obligations (continued):

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

Service retirement benefits of  $1/55^{\text{th}}$  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  $1/60^{\text{th}}$  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 with 25 or more years of service credit before age 62 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.

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* 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 the fiscal year 2016, 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 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Components of Net Pension Liability** - At December 31, 2016, the Borough reported a liability of \$23,654,981.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. 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 July 1, 2015, which was rolled forward to June 30, 2016. 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, 2016. The Borough's proportion

# BOROUGH OF TINTON FALLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

### Note 8. Pension Obligations (continued):

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

measured as of June 30, 2016, was .07987%, which was an increase of .000565% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 & December 31, 2015		
	<u>12/31/16</u> June 30, 2016	<u>12/31/15</u> June 30, 2015
Actuarial Valuation Date (including roll Forward)		
Deferred Outflows of Resources	7,162,014.00	2,186,821.00
Deferred Inflows of Resources	203,531.00	530,305.00
Net Pension Liability	23,654,981.00	16,661,687.00
Borough's Portion of the Plan's Total		
Net Pension Liability	0.07987%	0.07422%

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2016, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 439,911.00	\$ -
Changes of Assumptions	4,900,048.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	901,986.00	-
Changes in Proportion	<u>920,069.00</u>	<u>203,531.00</u>
	<u>\$ 7,162,014.00</u>	<u>\$ 203,531.00</u>

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

# BOROUGH OF TINTON FALLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

### Note 8. Pension Obligations (continued):

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

	<b>Year Ending <u>Dec 31,</u></b>	<b><u>PERS</u></b>		
	2017	\$ 1,518,321.00		
	2018	1,518,319.00		
	2019	1,725,649.00		
	2020	1,515,729.00		
	2021	<u>680,465.00</u>		
		<u>\$ 6,958,483.00</u>		
			<b><u>Deferred</u></b>	<b><u>Deferred</u></b>
			<b><u>Outflow of</u></b>	<b><u>Inflow of</u></b>
			<b><u>Resources</u></b>	<b><u>Resources</u></b>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014		-		-
June 30, 2015		5.72		-
June 30, 2016		5.57		-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014		6.44		-
June 30, 2015		5.72		-
June 30, 2016		5.57		-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014		-		5.00
June 30, 2015		-		5.00
June 30, 2016		5.00		-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014		6.44		6.44
June 30, 2015		5.72		5.72
June 30, 2016		5.57		5.57

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:



## BOROUGH OF TINTON FALLS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

#### Note 8. Pension Obligations (continued):

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

<u>PERS</u>	
Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best

# BOROUGH OF TINTON FALLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

### Note 8. Pension Obligations (continued):

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

estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 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 will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

## BOROUGH OF TINTON FALLS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

#### Note 8. Pension Obligations (continued):

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

**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 (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	Decrease (2.98%)	Discount Rate (3.98%)	Increase (4.98%)
Borough's proportionate share of the Net Pension Liability	\$ 28,986,418.20	\$ 23,654,981.00	\$ 19,253,417.33

##### 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](http://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.

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.

## BOROUGH OF TINTON FALLS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

#### Note 8. Pension Obligations (continued):

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

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**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 2016, 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 \$1,184,500.00 for 2016.

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

**Net Pension Liability and Pension Expense** - At December 31, 2016, the Borough's proportionate share of the PFRS net pension liability is valued to be \$25,806,123.00. The net pension liability was measured as of June 30, 2016. 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 July 1, 2015, to the measurement date of June 30, 2016. 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, 2016. The Borough's proportion measured as of June 30, 2016, was .13509%, which was an increase of .00876% from its proportion measured as of June 30, 2015.

# BOROUGH OF TINTON FALLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

### Note 8. Pension Obligations (continued):

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

Collective Balances at December 31, 2016 & December 31, 2015		
	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	7,054,336.00	4,757,789.00
Deferred Inflows of Resources	298,201.00	1,930,075.00
Net Pension Liability	25,806,123.00	21,041,857.00
 Borough's Portion of the Plan's Total		
Net Pension Liability	0.13509%	0.12633%

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2016, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 169,163.00
Changes of Assumptions	3,574,360.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,808,183.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>1,671,793.00</u>	<u>129,038.00</u>
	<u>\$ 7,054,336.00</u>	<u>\$ 298,201.00</u>

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

# BOROUGH OF TINTON FALLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

### Note 8. Pension Obligations (continued):

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

	<b>Year Ending <u>Dec 31,</u></b>	<b><u>PFRS</u></b>		
	2017	\$ 1,567,006.00		
	2018	1,567,006.00		
	2019	1,767,915.00		
	2020	1,439,282.00		
	2021	<u>414,926.00</u>		
		<u>\$ 6,756,135.00</u>		
			<b><u>Deferred</u></b>	<b><u>Deferred</u></b>
			<b><u>Outflow of</u></b>	<b><u>Inflow of</u></b>
			<b><u>Resources</u></b>	<b><u>Resources</u></b>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014		-		-
June 30, 2015		-		5.53
June 30, 2016		-		5.58
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014		6.17		-
June 30, 2015		5.53		-
June 30, 2016		5.58		-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014		-		5.00
June 30, 2015		-		5.00
June 30, 2016		5.00		-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014		6.17		6.17
June 30, 2015		5.53		5.53
June 30, 2016		5.58		5.58

**BOROUGH OF TINTON FALLS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Note 8. Pension Obligations (continued):**

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

**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.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$2,167,074.00 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. 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 July 1, 2015, to the measurement date of June 30, 2016. 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, 2016 was .13509%, which was an increase of .00876% from its proportion measured as of June 30, 2015, which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 25,806,123.00
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>2,167,074.00</u>
Total Net Pension Liability	<u><u>\$ 27,973,197.00</u></u>

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

**PFRS**

Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

# BOROUGH OF TINTON FALLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

### Note 8. Pension Obligations (continued):

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

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	



## BOROUGH OF TINTON FALLS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

#### Note 8. Pension Obligations (continued):

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

**Discount Rate** - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 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 will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their 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 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the 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 (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

	Decrease (4.55%)	Discount Rate (5.55%)	Increase (6.55%)
Borough's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Borough	\$ 36,069,386.40	\$ 27,973,197.00	\$ 21,371,241.54

#### 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, 2016 to be \$1,431,792.34. 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, 2016 totaled \$42,367.69.

## BOROUGH OF TINTON FALLS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

#### 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.

#### 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Balance of Tax	\$ 11,281,381.00	\$ 10,815,846.26	\$ 6,372,050.01	\$ 6,062,448.02
Deferred	8,549,999.23	8,549,999.23	2,270,231.55	2,270,231.55
Tax Payable	<u>\$ 2,731,381.77</u>	<u>\$ 2,265,847.03</u>	<u>\$ 4,101,818.46</u>	<u>\$ 3,792,216.47</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, 2016

### Note 12. Capital Debt (continued):

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<b>Issued</b>			
General Bonds, Loans and Notes	\$ 20,961,772.28	\$ 21,768,642.68	\$ 23,488,628.96
Total Debt Issued	<u>20,961,772.28</u>	<u>21,768,642.68</u>	<u>23,488,628.96</u>
<b>Authorized But Not Issued:</b>			
General Bonds and Notes	-	643,271.00	945,091.00
Sewer Utility Bonds and Notes	<u>-</u>	<u>-</u>	<u>400,000.00</u>
Total Authorized But Not Issued	<u>-</u>	<u>643,271.00</u>	<u>1,345,091.00</u>
Total Gross Debt	<u>\$ 20,961,772.28</u>	<u>\$ 22,411,913.68</u>	<u>\$ 24,833,719.96</u>
Deductions:			
Self-Liquidating Debt	\$ -	\$ -	\$ (400,000.00)
Open Space - Trust Fund Tax	<u>(2,504,152.00)</u>	<u>(2,979,184.06)</u>	<u>(3,065,290.08)</u>
Total Deductions	<u>(2,504,152.00)</u>	<u>(2,979,184.06)</u>	<u>(3,465,290.08)</u>
Net Debt Issued	<u>\$ 18,457,620.28</u>	<u>\$ 19,432,729.62</u>	<u>\$ 21,368,429.88</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 0.599%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Regional School District Debt	\$ 8,101,377.82	\$ 8,101,377.82	\$ -
General Debt	<u>20,961,772.28</u>	<u>2,504,152.00</u>	<u>18,457,620.28</u>
Total	<u>\$ 29,063,150.10</u>	<u>\$ 10,605,529.82</u>	<u>\$ 18,457,620.28</u>

Net Debt, \$18,457,620.28 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$3,083,372,440.00 equals 0.599%

**BOROUGH OF TINTON FALLS****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2016****Note 12. Capital Debt (continued):****Borrowing Power Under 40A:2-6:**

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 107,918,035.40
Net Debt	<u>18,457,620.28</u>
Remaining Borrowing Power	<u><u>\$ 89,460,415.12</u></u>

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

Cash Receipts From Fees, Rents & Other Charges	\$ 4,598,650.68
Deductions:	
Operating & Maintenance Costs	\$ 3,483,549.23
Debt Service	<u>- 3,483,549.23</u>
Excess Revenue - Self Liquidating	<u><u>\$ 1,115,101.45</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:

<b><u>GENERAL DEBT</u></b>				
<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>	
2017	\$ 1,595,000.00	\$ 659,812.52	\$ 2,254,812.52	
2018	1,640,000.00	596,062.52	2,236,062.52	
2019	1,590,000.00	530,812.52	2,120,812.52	
2020	1,640,000.00	467,487.52	2,107,487.52	
2021	1,685,000.00	399,312.52	2,084,312.52	
2022-2026	5,430,000.00	1,205,912.52	6,635,912.52	
2027-2031	3,145,000.00	325,562.50	3,470,562.50	
2032	295,000.00	11,800.00	306,800.00	
Total	<u>\$ 17,020,000.00</u>	<u>\$ 4,196,762.62</u>	<u>\$ 21,216,762.62</u>	

**BOROUGH OF TINTON FALLS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**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>
2017	\$ 22,772.28	\$ 227.72	\$ 23,000.00
Total	\$ 22,772.28	\$ 227.72	\$ 23,000.00

**C. Bond Anticipation Notes**

On December 31, 2016, the Borough had the following outstanding bond anticipation notes:

**GENERAL DEBT:**

<u>Improvement Description</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, <u>2014</u>
Acquisition of Real Property	11/30/17	0.95%	\$ 2,295,000.00
Various Capital Improvements	11/30/17	0.95%	\$ 1,624,000.00
			<u>\$ 3,919,000.00</u>

**D. Bonds and Notes Authorized But Not Issued**

As of December 31, 2016, the Borough did not have any bonds and notes authorized but not issued.

# BOROUGH OF TINTON FALLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

### Note 12. Capital Debt (continued):

During the fiscal year ended December 31, 2016 the following changes occurred in capital debt:

	December 31, 2015	Accrued/ Increases	Retired/ Decreases	December 31, 2016	Due Within One Year
<b>General Capital Fund:</b>					
General Serial Bonds	\$ 18,880,000.00	\$ 5,175,000.00	\$ (7,035,000.00)	\$ 17,020,000.00	\$ 1,595,000.00
Green Trust Loans Payable	67,642.68	-	(44,870.40)	22,772.28	22,772.28
Bond Anticipation Notes	2,821,000.00	3,919,000.00	(2,821,000.00)	3,919,000.00	3,919,000.00
Authorized but Not Issued	643,271.00	-	(643,271.00)	-	-
Total General Capital	<u>\$ 22,411,913.68</u>	<u>\$ 9,094,000.00</u>	<u>\$ (10,544,141.40)</u>	<u>\$ 20,961,772.28</u>	<u>\$ 5,536,772.28</u>

### Note 13. Interfunds Receivables, Payables, & Transfers

Individual fund receivables/payables balances at December 31, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
Grant Fund	\$ 3,225.36	\$ -
Sewer Operating	<u>-</u>	<u>3,225.36</u>
	<u>\$ 3,225.36</u>	<u>\$ 3,225.36</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Grant Fund	\$ 3,225.36	\$ -
Sewer Operating	<u>-</u>	<u>3,225.36</u>
	<u>\$ 3,225.36</u>	<u>\$ 3,225.36</u>

### 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, 2016, there were no deferred charges.

## BOROUGH OF TINTON FALLS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2016

#### Note 15. Joint Insurance Pool

During 2016, 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, 2016, which can be obtained from:

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

#### 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>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 27,285.43	\$ 35,240.75	\$ 207,776.26
2015	52,181.94	38,663.45	\$ 215,731.58
2014	51,380.00	69,109.89	202,213.09

#### Note 17. 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, 2016

#### Note 18. Housing Trust Fund Mortgage

The Borough's Fair Share Housing Plan provides 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.

#### Note 19. General Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2016:

	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2016</u>
Land	\$ 18,721,988.85	\$ 332,600.00	\$ 368,700.00	\$ 18,685,888.85
Building	24,936,207.62	-	204,941.38	24,731,266.24
Improvements	41,291.65	-	-	41,291.65
Machinery & Equipment	<u>10,410,387.92</u>	<u>452,761.94</u>	<u>230,145.60</u>	<u>10,633,004.26</u>
Total	<u>\$ 54,109,876.04</u>	<u>\$ 785,361.94</u>	<u>\$ 803,786.98</u>	<u>\$ 54,091,451.00</u>

#### Note 20. Subsequent Events

The Borough has evaluated subsequent events through June 30, 2017, the date the financial statements were available to be issued. No additional disclosures necessary.



**SUPPLEMENTARY SCHEDULES**

*This page intentionally left blank*

<b>CURRENT FUND</b>
---------------------

*This page intentionally left blank*

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Current Fund	Grant Fund
Balance, December 31, 2015	\$ 12,700,989.52	\$ 348,517.09
Increased By Receipts:		
Non-Budget Revenues	\$ 1,131,108.30	\$ -
Due From Fire/EMS/School - Fuel	5,651.75	-
and Veterans' Deductions	112,886.99	-
Property Taxes Receivable	63,146,529.91	-
Debris Liens Receivable	2,660.68	-
Revenue Accounts Receivable	6,524,123.38	-
Due From Fire/EMS/School - Fuel	88,653.18	-
Prepaid Taxes	342,491.76	-
Due To State	44,678.00	-
Grants Receivable	-	106,642.07
Grants - Unappropriated	-	5,782.38
	<u>71,398,783.95</u>	<u>112,424.45</u>
	84,099,773.47	460,941.54
Decreased By Disbursements:		
2016 Budget Appropriations	21,967,571.84	-
2015 Appropriation Reserves	372,391.41	-
County Taxes	9,443,481.77	-
Tax Overpayments	217,215.53	-
Regional District School Taxes	22,611,216.26	-
Regional District High School Taxes	12,434,498.01	-
Municipal Open Space Tax	686,135.10	-
Special District Taxes	1,924,306.00	-
Due To State	49,579.00	-
Due From Sewer Utility Operating	-	3,225.36
Grants - Appropriated	-	192,192.31
	<u>69,706,394.92</u>	<u>195,417.67</u>
Balance, December 31, 2016	<u><u>\$ 14,393,378.55</u></u>	<u><u>\$ 265,523.87</u></u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CHANGE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2016 &amp; 2015</u>
Clerk of Municipal Court	\$ 700.00
Office of Municipal Clerk:	
Central Services	25.00
Collector	<u>100.00</u>
	<u><u>\$ 825.00</u></u>

**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, 2016**

Balance, December 31, 2015		\$ 4,567.91
Increased By:		
Senior Citizens' Deductions per		
Tax Duplicate	\$ 19,500.00	
Veterans' Deductions per Tax Duplicate	91,250.00	
Senior Citizens' and Veterans' Deductions		
Allowed By Tax Collector	<u>2,000.00</u>	
		<u>112,750.00</u>
Decreased By:		117,317.91
Cash Received From State of New Jersey	112,886.99	
Senior Citizens' Disallowed - Prior Years	<u>2,863.01</u>	
		<u>115,750.00</u>
Balance, December 31, 2016		<u><u>\$ 1,567.91</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, 2016**

	Balance December 31, 2015	2016 Levy	<u>Collections</u>		Due From/(To) State of New Jersey	Transferred To Tax Title Liens	<u>Cancellations</u>	Balance December 31, 2016
			2015	2016				
2014	\$ 668.67	\$ -	\$ -	\$ 555.79	\$ -	\$ -	\$ 112.88	\$ -
2015	654,126.32	-	-	647,541.17	(2,863.01)	8,721.59	726.57	-
2016	-	63,965,319.60	373,309.87	62,497,217.07	112,750.00	21,339.66	28,255.00	932,448.00
	<u>\$ 654,794.99</u>	<u>\$ 63,965,319.60</u>	<u>\$ 373,309.87</u>	<u>\$ 63,145,314.03</u>	<u>\$ 109,886.99</u>	<u>\$ 30,061.25</u>	<u>\$ 29,094.45</u>	<u>\$ 932,448.00</u>

Analysis of Property Tax Levy

<b>Tax Yield</b>								
General Purpose Tax					\$ 60,575,015.40			
Special District Taxes					1,932,883.24			
Added/Omitted Taxes (R.S. 54-4-63, 1 et seq.)					<u>1,457,420.96</u>			
						\$ 63,965,319.60		
<b>Tax Levy</b>								
Regional District School Tax			\$ 23,076,751.00					
Regional District High School Tax			12,744,100.00					
County Taxes:								
County Tax	\$ 8,314,162.12							
County Library Tax	570,854.47							
County Open Space Tax	477,630.10							
Due County for Added and Omitted Taxes	<u>221,370.39</u>							
			9,584,017.08					
Municipal Open Space Tax	670,737.00							
Municipal Open Space Tax Added Taxes	<u>15,398.10</u>							
			686,135.10					
Fire Districts Taxes			<u>1,924,306.00</u>		48,015,309.18			
Local Tax for Municipal Purposes			14,694,979.34					
Add: Additional Tax Levied			<u>1,255,031.08</u>		<u>15,950,010.42</u>			
						\$ 63,965,319.60		



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 52,128.48
Increased By:		
Interest and Costs at Tax Sale	\$ 1,979.53	
Transfers From Taxes Receivable	<u>30,061.25</u>	
		<u>32,040.78</u>
		84,169.26
Decreased By:		
Cash Receipts		<u>9,271.05</u>
Balance, December 31, 2016		<u><u>\$ 74,898.21</u></u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DEBRIS LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 563.09
Increased By:	
Liens Levied	<u>2,097.59</u>
	2,660.68
Decreased By:	
Collections	<u>2,660.68</u>
Balance, December 31, 2016	<u><u>\$ -</u></u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Accrued in <u>2016</u>	<u>Collections</u>	Balance December 31, <u>2016</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 37,930.00	\$ 37,930.00	\$ -
Other	-	28,601.00	28,601.00	-
Fees and Permits	-	381,123.82	381,123.82	-
Fines and Costs:				
Municipal Court	36,406.99	499,096.72	502,940.78	32,562.93
Interest and Costs on Taxes	-	141,883.02	141,883.02	-
Interest on Investments and Deposits	-	41,388.06	41,388.06	-
Commercial Garbage Fees	-	60,156.50	60,156.50	-
Energy Receipts Tax	-	1,490,459.00	1,490,459.00	-
Uniform Construction Code Fees	-	519,271.00	519,271.00	-
Host Municipalities Act	-	2,048,554.85	2,048,554.85	-
Franchise Fees	-	281,996.91	281,996.91	-
Open Space Trust:				
Interest on Notes	-	8,343.00	8,343.00	-
Bond Principal	-	82,168.00	82,168.00	-
Interest on Bonds	-	54,567.00	54,567.00	-
Hotel Occupancy Tax	-	406,546.38	406,546.38	-
Capital Surplus	-	5,000.00	5,000.00	-
Piolet CommVault	-	226,966.40	226,966.40	-
Municipal Court Services - Monmouth Beach & Eatontown	-	206,227.66	206,227.66	-
	<u>\$ 36,406.99</u>	<u>\$ 6,520,279.32</u>	<u>\$ 6,524,123.38</u>	<u>\$ 32,562.93</u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO STATE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2016</u>
Marriage Licenses	\$ 550.00	\$ 2,925.00	\$ 3,150.00	\$ 325.00
DCA Training Fees	11,987.00	41,753.00	46,429.00	7,311.00
	<u>\$ 12,537.00</u>	<u>\$ 44,678.00</u>	<u>\$ 49,579.00</u>	<u>\$ 7,636.00</u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2015 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance, December 31, <u>2015</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
<b>GENERAL APPROPRIATIONS</b>				
Borough Council:				
Salaries and Wages	\$ 0.62	\$ 0.62	\$ -	\$ 0.62
Other Expenses	5,351.00	5,351.00	-	5,351.00
Office of the Mayor:				
Salaries and Wages	0.98	0.98	-	0.98
Other Expenses	5,894.36	5,894.36	25.00	5,869.36
Municipal Clerk:				
Salaries and Wages	2,038.74	2,038.74	-	2,038.74
Other Expenses	15,549.07	15,549.07	5,350.53	10,198.54
Office of the Tax Assessor:				
Salaries and Wages	14,508.68	14,508.68	-	14,508.68
Other Expenses	50,020.27	50,020.27	30,636.86	19,383.41
Division of Administration:				
Salaries and Wages	1,383.58	1,383.58	-	1,383.58
Other Expenses	50,300.79	50,300.79	16,132.52	34,168.27
Human Resources:				
Salaries and Wages	14.82	14.82	-	14.82
Other Expenses	366.91	366.91	23.50	343.41
Division of Central Services:				
Salaries and Wages	3,321.92	3,321.92	-	3,321.92
Miscellaneous Other Expenses	2,126.54	2,126.54	321.85	1,804.69
Division of Engineering:				
Other Expenses	6,607.90	11,607.90	10,207.93	1,399.97
Historical Sites Office:				
Other Expenses	4,703.08	4,703.08	-	4,703.08
Division of Law:				
Salaries and Wages	5,033.85	5,033.85	-	5,033.85
Other Expenses	94,796.48	94,796.48	8,263.68	86,532.80
Division of Central Maintenance:				
Salaries and Wages	10,671.91	10,671.91	363.59	10,308.32
Other Expenses	34,857.35	34,857.35	20,855.95	14,001.40
Division of Streets:				
Salaries and Wages	1,045.85	1,045.85	905.78	140.07
Other Expenses	25,717.81	25,717.81	19,408.90	6,308.91
Division of Sanitation:				
Salaries and Wages	97,871.01	62,871.01	1,322.79	61,548.22
Other Expenses:				
Landfill/Solid Waste Disposal Costs	12,594.65	12,594.65	4,463.08	8,131.57
Miscellaneous Other Expenses	12,997.99	12,997.99	2,935.93	10,062.06
Division of Buildings and Grounds:				
Salaries and Wages	25,200.30	25,200.30	-	25,200.30
Other Expenses	17,480.97	17,480.97	10,474.78	7,006.19

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2015 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance, December 31, <u>2015</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Maintenance of Parks:				
Salaries and Wages	5,795.56	5,795.56	-	5,795.56
Other Expenses	2,557.34	2,557.34	318.23	2,239.11
Shade Tree:				
Other Expenses	1,181.02	1,181.02	-	1,181.02
Community Services Act:				
Other Expenses	5,554.00	5,554.00	-	5,554.00
Police:				
Salaries and Wages	30,063.63	30,063.63	347.52	29,716.11
Other Expenses	25,030.76	25,030.76	23,988.64	1,042.12
Division of Emergency Management:				
Salaries and Wages	3,189.88	3,189.88	8.09	3,181.79
Other Expenses	24,569.79	24,569.79	5,991.97	18,577.82
Municipal Prosecutor:				
Salaries and Wages	4.96	4.96	-	4.96
Other Expenses	4,000.00	4,000.00	-	4,000.00
Division of Finance:				
Salaries and Wages	7,681.14	7,681.14	345.15	7,335.99
Other Expenses:				
Auditing Services	28,500.00	28,500.00	28,500.00	-
Miscellaneous Other Expenses	1,182.63	1,182.63	439.68	742.95
Division of Revenue:				
Salaries and Wages	1,629.92	1,629.92	-	1,629.92
Other Expenses	6,772.22	6,772.22	366.42	6,405.80
Division of Health:				
Other Expenses:				
Miscellaneous Other Expenses	400.00	400.00	-	400.00
Environmental Health Services:				
Other Expenses	3,624.00	3,624.00	-	3,624.00
Contribution To Social Service Agencies:				
Other Expenses	3,670.00	3,670.00	2,015.00	1,655.00
Division of Recreation:				
Salaries and Wages	8,773.43	8,773.43	45.62	8,727.81
Other Expenses	35,864.34	35,864.34	16,086.99	19,777.35
Municipal Library:				
Other Expenses	25,550.00	25,550.00	24,550.00	1,000.00
Division of Housing:				
Other Expenses	27,942.00	27,942.00	-	27,942.00
Division of Planning:				
Salaries and Wages	33,559.32	33,559.32	-	33,559.32
Other Expenses	28,365.38	28,365.38	1,100.75	27,264.63
Division of Zoning:				
Salaries and Wages	10,441.50	10,441.50	-	10,441.50
Other Expenses	13,998.28	13,998.28	1,203.08	12,795.20

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2015 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance, December 31, <u>2015</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Division of Code Enforcement:				
Salaries and Wages	578.20	578.20	-	578.20
Other Expenses	1,972.94	1,972.94	153.53	1,819.41
Division of Fire Prevention:				
Salaries and Wages	14,634.41	14,634.41	71.83	14,562.58
Other Expenses	3,316.88	3,316.88	1,785.34	1,531.54
Municipal Court:				
Salaries and Wages	13,070.35	13,070.35	801.24	12,269.11
Other Expenses	6,287.84	6,287.84	4,193.09	2,094.75
Public Employees Occupational Safety and Health Act:				
Other Expenses	3,261.50	3,261.50	-	3,261.50
Public Defender				
Salaries and Wages	4.82	4.82	-	4.82
Other Expenses	800.00	800.00	-	800.00
UNIFORM CONSTRUCTION CODE APPROPRIATIONS				
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)				
State Uniform Construction Code:				
Salaries & Wages	11,079.19	11,079.19	23.85	11,055.34
Other Expenses	1,403.45	1,403.45	949.83	453.62
UNCLASSIFIED				
Electricity	30,401.49	30,401.49	27,568.47	2,833.02
Street Lighting	20,502.52	20,502.52	7,646.48	12,856.04
Telephone	125.27	125.27	-	125.27
Water	4,218.58	4,218.58	3,984.93	233.65
Gas	11,692.22	11,692.22	500.46	11,191.76
Fuel Oil	69,110.19	39,110.19	5,451.11	33,659.08
Telecommunications	19,112.80	19,112.80	1,882.59	17,230.21
Statutory Expenditures:				
Contribution To:				
Public Employee Retirement System	-	30,000.00	8,790.03	21,209.97
Police & Firemen's Retirement System	-	30,000.00	20,684.11	9,315.89
Social Security System (O.A.S.I.)	38,723.30	38,723.30	1,069.72	37,653.58
Defined Contribution Retirement Program	5,000.00	5,000.00	-	5,000.00
Group Insurance	66,598.15	66,598.15	-	66,598.15
LOSAP - Volunteer Ambulance	46,005.00	46,005.00	41,447.09	4,557.91
Emergency Telecommunications System - 911 System	0.07	0.07	-	0.07
NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):				
Division of Streets:				
Other Expenses	5,067.02	5,067.02	1,933.01	3,134.01
Recycling Tax	939.81	939.81	154.83	784.98

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2015 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance, December 31, <u>2015</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
County of Monmouth:				
Police Dispatching Services	0.70	0.70	-	0.70
Municipal Court - Monmouth Beach & Eatontown	24,478.93	24,478.93	4,350.06	20,128.87
Purchase of Automated Refuse Containers	1,633.20	1,633.20	-	1,633.20
Historic - Crawford House	6,358.46	6,358.46	2,750.00	3,608.46
	<hr/>			
Total General Appropriations	\$ 1,246,735.82	\$ 1,246,735.82	\$ 373,191.41	\$ 873,544.41
	<hr/>			
Appropriation Reserves	\$ 849,624.84			
Encumbrances Payable	397,110.98			
	<hr/>			
	\$ 1,246,735.82			
	<hr/>			
Cash Disbursed			\$ 372,391.41	
Transferred To Accounts Payable			800.00	
			<hr/>	
			\$ 373,191.41	
			<hr/>	



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 117,739.02
Increased By:	
Transferred From Appropriation Reserves	<u>800.00</u>
Balance, December 31, 2016	<u><u>\$ 118,539.02</u></u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 80,835.08
Increased By:		
2016 Tax Levy		
County Tax	\$ 8,314,162.12	
County Library Tax	570,854.47	
County Open Space Fund Tax	477,630.10	
Due County for Added and Omitted Taxes	<u>221,370.39</u>	
		<u>9,584,017.08</u>
		9,664,852.16
Decreased By:		
Cash Disbursements		<u>9,443,481.77</u>
Balance, December 31, 2016		<u><u>\$ 221,370.39</u></u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 373,309.87
Increased By:	
Collection of 2017 Taxes	<u>342,491.76</u>
	715,801.63
Decreased By:	
Applied To 2016 Taxes	<u>373,309.87</u>
Balance, December 31, 2016	<u><u>\$ 342,491.76</u></u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 12,682.94
Increased By:	
2016 Tax Overpayments	<u>216,892.06</u>
	229,575.00
Decreased By:	
Tax Overpayments Refunded	<u>217,215.53</u>
Balance, December 31, 2016	<u><u>\$ 12,359.47</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, 2016**

Balance, December 31, 2015		
School Tax Payable	\$ 2,265,847.03	
School Tax Deferred	<u>8,549,999.23</u>	
		\$ 10,815,846.26
Increased By:		
Levy - School Year July 1, 2016 to June 30, 2017		<u>23,076,751.00</u>
		33,892,597.26
Decreased By:		
Cash Disbursed		<u>22,611,216.26</u>
Balance, December 31, 2016		
School Tax Payable	2,731,381.77	
School Tax Deferred	<u>8,549,999.23</u>	
		<u>\$ 11,281,381.00</u>
<u>2016 Liability for Regional District School Tax</u>		
Tax Payable, December 31, 2016	\$ 2,731,381.77	
Tax Paid	<u>22,611,216.26</u>	
		25,342,598.03
Less:		
Tax Payable, December 31, 2015		<u>2,265,847.03</u>
Amount Charged To 2016 Operations		<u>\$ 23,076,751.00</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, 2016**

Balance, December 31, 2015		
School Tax Payable	\$ 3,792,216.47	
School Tax Deferred	<u>2,270,231.55</u>	
		\$ 6,062,448.02
Increased By:		
Levy - School Year July 1, 2016 to June 30, 2017		<u>12,744,100.00</u>
		18,806,548.02
Decreased By:		
Cash Disbursed		<u>12,434,498.01</u>
Balance, December 31, 2016		
School Tax Payable	\$ 4,101,818.46	
School Tax Deferred	<u>2,270,231.55</u>	
		<u>\$ 6,372,050.01</u>
<u>2016 Liability for Regional District High School Tax</u>		
Tax Payable, December 31, 2016	\$ 4,101,818.46	
Tax Paid	<u>12,434,498.01</u>	
		16,536,316.47
Less:		
Tax Payable, December 31, 2015		<u>3,792,216.47</u>
Amount Charged To 2016 Operations		<u>\$ 12,744,100.00</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, 2016**

Balance, December 31, 2015		\$	-
Increased By:			
2016 Levy	\$ 670,737.00		
Added & Omitted Taxes	<u>15,398.10</u>		
			<u>686,135.10</u>
			686,135.10
Decreased By:			
Cash Disbursements			<u>686,135.10</u>
Balance, December 31, 2016		\$	<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, 2016**

Balance, December 31, 2015		\$	-
Increased By:			
Fire District #1 Levy	\$ 1,100,494.00		
Fire District #2 Levy	<u>823,812.00</u>		
			<u>1,924,306.00</u>
			1,924,306.00
Decreased By:			
Cash Disbursements			<u>1,924,306.00</u>
Balance, December 31, 2016		\$	<u><u>-</u></u>



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Budget Revenue <u>Realized</u>	Cash <u>Receipts</u>	Transferred From Grants <u>Unappropriated</u>	Balance December 31, <u>2016</u>
Recycling Tonnage Grant	\$ -	\$ 54,253.02	\$ 54,253.02	\$ -	\$ -
Monmouth County Historical Grant	-	1,851.00	1,688.00	163.00	-
Alcohol Education & Rehabilitation Fund	-	2,769.86	-	2,769.86	-
Body Armor Replacement Fund	-	180.00	-	180.00	-
Clean Communities Program	-	50,701.05	50,701.05	-	-
NJ DEP Forestry - No Net Loss Grant	288,900.00	-	-	-	288,900.00
NJ DEP Green Communities	3,000.00	-	-	-	3,000.00
	<hr/>				
	<u>\$ 291,900.00</u>	<u>\$ 109,754.93</u>	<u>\$ 106,642.07</u>	<u>\$ 3,112.86</u>	<u>\$ 291,900.00</u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, 2015	Transferred From 2016 Budgets	Transferred From Encumbrances Payable	Paid or Charged	Transferred To Encumbrances Payable	Cancelled	Balance December 31, 2016
<b>Local:</b>							
Monmouth County Joint Insurance Fund	\$ 450.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450.00
Donation - Fire Prevention Training	200.03	-	-	-	-	-	200.03
Comcast - Technology Contribution	6,441.25	-	-	-	-	-	6,441.25
<b>State:</b>							
Municipal Stormwater	1,313.97	-	-	-	-	-	1,313.97
Monmouth County Historical Grant	-	1,851.00	-	1,851.00	-	-	-
Alcohol Education Rehabilitation Fund	7,892.58	2,769.86	-	2,400.00	-	-	8,262.44
Body Armor Replacement Fund	641.18	180.00	6,274.45	7,095.63	-	-	-
Clean Communities Program - 2012	-	-	6,219.75	6,219.75	-	-	-
Clean Communities Program - 2013	-	-	8,046.57	8,046.57	-	-	-
Clean Communities Program - 2014	-	-	18,891.06	18,891.06	-	-	-
Clean Communities Program - 2015	43,474.50	-	872.15	43,422.80	923.85	-	-
Clean Communities Program - 2016	-	50,701.05	-	9,767.38	12,767.88	-	28,165.79
Drunk Driving Enforcement Grant	11,826.69	-	-	1,560.00	-	-	10,266.69
Recycling Tonnage Grant	222,771.75	54,253.02	10,088.30	92,938.12	-	-	194,174.95
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>\$ 583,911.95</u>	<u>\$ 109,754.93</u>	<u>\$ 53,392.28</u>	<u>\$ 192,192.31</u>	<u>\$ 16,691.73</u>	<u>\$ -</u>	<u>\$ 538,175.12</u>
<b>Budget Appropriation</b>							
<b>Cash Disbursements</b>							
	\$ 109,754.93	\$ -		\$ -			
	<u>109,754.93</u>	<u>-</u>		<u>192,192.31</u>			
	<u>\$ 109,754.93</u>	<u>-</u>		<u>192,192.31</u>			

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Cash <u>Received</u>	Transferred To Grants <u>Receivable</u>	Balance December 31, <u>2016</u>
Body Armor Replacement Fund	\$ 180.00	\$ 3,788.14	\$ 180.00	\$ 3,788.14
Historical Grant	163.00	-	163.00	-
Municipal Court Alcohol Education and Rehabilitation Enforcement Fund	2,769.86	1,994.24	2,769.86	1,994.24
	<u>\$ 3,112.86</u>	<u>\$ 5,782.38</u>	<u>\$ 3,112.86</u>	<u>\$ 5,782.38</u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF DUE FROM SEWER OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
Cash Disbursements	<u>3,225.36</u>
Balance, December 31, 2016	<u><u>\$ 3,225.36</u></u>

**TRUST FUND**

*This page intentionally left blank*

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<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, 2015	\$ 7,116.43	\$ 1,190,981.23	\$ 5,308,360.69
Increased By Receipts:			
Due To State of New Jersey	1,436.40	-	-
Dog License Fees	7,280.80	-	-
Transfer from Budget Appropriation	24,000.00	-	-
Reserve for Open Space	-	932,036.77	-
Off Duty Police Receivable	-	-	-
Miscellaneous Trust Funds	-	-	4,216,627.47
	<u>32,717.20</u>	<u>932,036.77</u>	<u>4,216,627.47</u>
	<u>39,833.63</u>	<u>2,123,018.00</u>	<u>9,524,988.16</u>
Decreased By Disbursements:			
N.J. State Department of Health	1,439.40	-	-
Expenditures per R.S. 4:19-15.11	31,037.00	-	-
Reserve for Open Space	-	1,353,446.50	-
Off Duty Police Receivable	-	-	2,027.75
Encumbrances Payable	-	241,599.22	-
Miscellaneous Trust Funds	-	-	5,079,212.15
	<u>32,476.40</u>	<u>1,595,045.72</u>	<u>5,081,239.90</u>
Balance, December 31, 2016	<u>\$ 7,357.23</u>	<u>\$ 527,972.28</u>	<u>\$ 4,443,748.26</u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST OTHER FUND  
SCHEDULE OF OFF DUTY POLICE RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
Cash Disbursements	<u>2,027.75</u>
Balance, December 31, 2016	<u><u>\$ 2,027.75</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, 2016**

Balance, December 31, 2015	\$ 4.20
Increased By:	
State Registration Fees Collected	<u>1,436.40</u>
	1,440.60
Decreased By:	
Disbursed To State	<u>1,439.40</u>
Balance, December 31, 2016	<u><u>\$ 1.20</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, 2016**

Balance, December 31, 2015	\$ 7,142.23
Increased By:	
License Fees Collected - 2016	\$ 7,280.80
Animal Appropriation Control Balance	24,000.00
	<u>31,280.80</u>
	38,423.03
Decreased By:	
Expenditures Per R.S. 4:19-15.11	<u>31,037.00</u>
Balance, December 31, 2016	<u><u>\$ 7,386.03</u></u>
Analysis fo Balance	
Encumbrances Payable	2,559.00
Reserve for Animal Control Fund Expenditures	<u>4,827.03</u>
	<u><u>\$ 7,386.03</u></u>

License Fees Collected

2015	\$ 7,117.80
2014	<u>8,654.20</u>
	<u><u>\$ 15,772.00</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, 2016**

Balance, December 31, 2015		\$ 949,382.01
Increased By:		
Tax Levy	\$ 670,737.00	
Added & Omitted Taxes	15,398.10	
Interest Earned	4,302.45	
Transferred from Encumbrances Payable	<u>241,599.22</u>	
		<u>932,036.77</u>
		1,881,418.78
Decreased By:		
Cash Disbursed	1,353,446.50	
Transferred to Encumbrances Payable	<u>112,763.20</u>	
		<u>1,466,209.70</u>
Balance, December 31, 2016		<u><u>\$ 415,209.08</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, 2016**

Balance, December 31, 2015	\$ 241,599.22
Increased By:	
Transfers to Encumbrances Payable	<u>112,763.20</u>
	354,362.42
Decreased By:	
Transfer to Reserve for Open Space	<u>241,599.22</u>
Balance, December 31, 2016	<u><u>\$ 112,763.20</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, 2016**

	Balance December 31, <u>2015</u>	Transferred From Encumbrances <u>Payable</u>	<u>Increased</u>	<u>Decreased</u>	Transferred To Encumbrances <u>Payable</u>	Balance December 31, <u>2016</u>
Street Openings	\$ 11,885.00	\$ -	\$ 28,600.00	\$ 1,090.00	\$ -	\$ 39,395.00
Mid Monmouth	1,850.00	-	-	-	-	1,850.00
Tax Sale Premiums	422,100.00	-	99,700.00	233,900.00	-	287,900.00
Detention Basin	375,394.97	-	-	127,388.09	5,191.67	242,815.21
Tax Title Liens	36,582.28	-	378,751.98	397,870.64	-	17,463.62
Unemployment	215,731.58	-	27,285.43	35,240.75	-	207,776.26
Law Enforcement	24,767.94	-	17,669.12	-	2,900.00	39,537.06
Off Duty	97,949.70	-	458,449.25	556,398.95	-	-
Recycling	35,911.61	2,780.44	22,852.21	25,725.82	344.47	35,473.97
Parking Offenses Adjudication Act	896.00	-	48.00	-	-	944.00
DARE Program	1,744.63	-	-	-	-	1,744.63
Emergency Management	1,855.71	-	-	-	-	1,855.71
Public Defender	26,922.60	-	5,425.00	10,000.00	-	22,347.60
Alcohol Alliance	1,520.85	-	-	-	-	1,520.85
Recreation	9,144.87	-	6,327.55	3,876.15	-	11,596.27
Police Forfeiture	48,790.38	460.28	25,092.49	51,880.82	1,806.60	20,655.73
Seabrook CCO and Fire Inspection	70,516.00	-	14,000.00	13,320.00	-	71,196.00
Professional Fees	5,033.58	-	-	-	-	5,033.58
Uniform Fire Safety Penalty Funds	9,656.71	-	2,800.00	5,638.82	-	6,817.89
Uniform Fire Safety Dedicated and Comp Penalties	4,420.23	-	2,250.00	-	-	6,670.23
Accumulated Absences	12,859.64	-	140,000.00	110,491.95	-	42,367.69
Volunteer Appreciation Day	30.00	-	-	-	-	30.00
Historic Crawford House	200.00	-	-	-	-	200.00
Community Day	1,985.57	-	17,800.00	19,400.09	335.38	50.10
Health Fair Donations	-	-	2,250.00	934.11	-	1,315.89
Insurance	145,616.62	-	763,431.71	675,864.87	45,405.00	187,778.46
Affordable Housing	642,973.25	13,865.08	257,243.79	142,744.34	27,073.64	744,264.14
Developers Escrow:						
Engineering Fees	397,815.25	-	165,298.18	209,660.62	-	353,452.81
Maintenance Fees	96,775.19	-	36,180.49	-	-	132,955.68
Performance Fees	2,353,623.24	-	1,592,524.27	2,257,507.78	-	1,688,639.73
Escrow Fees	150,399.42	-	152,607.10	118,125.71	1,549.50	183,331.31
Shafto Rd. Sewer Line Extension	3,148.78	-	8.49	-	-	3,157.27
COAH Special Master	4,276.61	-	6.45	3,250.00	-	1,033.06
FMERA Sewer Improvement	76,024.68	2,852.00	25.96	78,902.64	-	-
	<u>\$ 5,288,402.89</u>	<u>\$ 19,957.80</u>	<u>\$ 4,216,627.47</u>	<u>\$ 5,079,212.15</u>	<u>\$ 84,606.26</u>	<u>\$ 4,361,169.75</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, 2016**

Balance, December 31, 2015			\$ 424,983.71
Increased By:			
Borough Contributions	\$	41,447.09	
Interest		2,192.71	
Appreciation on Investments		<u>25,352.25</u>	
			<u>68,992.05</u>
			493,975.76
Decreased By:			
Withdrawals			<u>8,943.95</u>
Balance, December 31, 2016			<u><u>\$ 485,031.81</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, 2016**

Balance, December 31, 2015		\$ 424,983.71
Increased By:		
Borough Contributions	\$ 41,447.09	
Interest	2,192.71	
Appreciation on Investments	<u>25,352.25</u>	
		<u>68,992.05</u>
		493,975.76
Decreased By:		
Withdrawals		<u>8,943.95</u>
Balance, December 31, 2016		<u><u>\$ 485,031.81</u></u>

*This page intentionally left blank*



<b>GENERAL CAPITAL FUND</b>
-----------------------------

*This page intentionally left blank*

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 1,813,757.80
Increased By:		
Bond Anticipation Notes	\$ 3,919,000.00	
Capital Improvement Fund	50,000.00	
DOT Grant Receivable	187,500.00	
2016 Bond Refunding	5,825,083.25	
Premium from 2016 Bond Refunding	52,413.05	
Principal Paid on Notes	525,576.57	
Miscellaneous Reserves	419,885.57	
		<u>10,979,458.44</u>
		12,793,216.24
Decreased By:		
Fund Balance - Anticipated in Current Fund	5,000.00	
Bond Anticipation Notes	2,821,000.00	
Improvement Authorizations	7,345,311.41	
		<u>10,171,311.41</u>
Balance, December 31, 2016		<u><u>\$ 2,621,904.83</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, 2016**

Balance  
December 31,  
2016

Encumbrances Payable	\$	938,630.93
DOT Grants Receivable		(62,500.00)
Capital Improvement Fund		38,477.00
Miscellaneous Reserves		651,257.49
Fund Balance		1,257.24

Ordinance <u>Number</u>	<u>Improvement Description</u>	
06-1181	New Municipal Complex	\$ 139,693.74
09-1286	Various Items of Equipment	22,326.49
11-1325	Various Capital Improvements	95,536.47
12-1345	2012 Road Program	6,595.37
12-1348	Acq. Of Radios & Technology Equipment	1,853.82
13-1370	2014 Road Improvement Program	10,009.25
14-1377	2014 Various Capital Improvements	432,967.03
16-1399/16-1405	Various Capital Improvements	345,800.00
		\$ 2,621,904.83

**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, 2016**

Balance, December 31, 2015		\$ 18,947,642.68
Increased By:		
Serial Bonds Issued		<u>5,175,000.00</u>
		24,122,642.68
Decreased By:		
Serial Bonds Paid	\$ 1,615,000.00	
Serial Bonds Refunded	5,420,000.00	
Green Trust Loan Paid	<u>44,870.40</u>	
		<u>7,079,870.40</u>
Balance, December 31, 2016		<u><u>\$ 17,042,772.28</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, 2016**

Ordinance Number	Improvement Description	Balance December 31, 2015	2016 Authorizations	Decreased by				Balance December 31, 2016	Analysis of Balance	
				Serial Bonds Issued	Funded By Premium on Bond Sale	Principal Paid on Notes	Cancelled		Bond Anticipation Notes	
06-1206	Drainage Outfall Improvements	\$ 156.00	\$ -	-	\$ -	\$ -	156.00	\$ -	-	\$ -
11-1329	Acquisition of Real Property	3,464,115.00	-	-	-	525,576.57	643,538.43	2,295,000.00	2,295,000.00	
16-1395	Refunding Bonds	-	6,000,000.00	5,175,000.00	702,496.30	-	122,503.70	-	-	
16-1399/16-1405	Various Capital Improvements	-	1,624,000.00	-	-	-	-	1,624,000.00	1,624,000.00	
		\$ 3,464,271.00	\$ 7,624,000.00	\$ 5,175,000.00	\$ 702,496.30	\$ 525,576.57	\$ 766,198.13	\$ 3,919,000.00	\$ 3,919,000.00	

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding December 31, 2015</u>		<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Refunded</u>	<u>Balance December 31, 2016</u>
			<u>Date</u>	<u>Amount</u>						
General Improvement Bonds	12/21/06	\$ 538,000.00				\$ 65,000.00	-	\$ 65,000.00	-	-
General Improvement Bonds	01/03/08	8,688,000.00	01/01/17	365,000.00	4.00%	6,515,000.00	-	350,000.00	5,420,000.00	745,000.00
			01/01/18	380,000.00	4.00%					
Refunding Bonds: (General Improvements - 2002)	11/16/10	5,753,000.00	07/01/17	290,000.00	3.00%	4,695,000.00	-	295,000.00	-	4,400,000.00
			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%					
			07/01/22	285,000.00	3.125%					

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u> December 31, 2015		<u>Interest Rate</u>	<u>Balance</u> December 31, 2015	<u>Increased</u>	<u>Decreased</u>	<u>Refunded</u>	<u>Balance</u> December 31, 2016
			<u>Date</u>	<u>Amount</u>						
Refunding Bonds: (Open Space - 2002)	11/16/10	907,000.00	07/01/23	280,000.00	3.20%					
			07/01/24	275,000.00	4.00%					
			07/01/25	275,000.00	4.00%					
			07/01/26	275,000.00	3.50%					
			07/01/27	270,000.00	3.75%					
			07/01/28	265,000.00	3.75%					
			07/01/29	265,000.00	4.00%					
			07/01/30	260,000.00	4.00%					
			07/01/31	260,000.00	4.00%					
			07/01/32	255,000.00	4.00%					
						740,000.00	-	45,000.00	-	695,000.00
			07/01/17	45,000.00	3.00%					
			07/01/18	45,000.00	3.50%					
General Improvement Bonds	01/24/11	3,510,000.00	07/01/19	45,000.00	4.00%					
			07/01/20	45,000.00	4.00%					
			07/01/21	45,000.00	4.00%					
			07/01/22	45,000.00	3.125%					
			07/01/23	45,000.00	3.20%					
			07/01/24	45,000.00	4.00%					
			07/01/25	45,000.00	4.00%					
			07/01/26	45,000.00	3.50%					
			07/01/27	45,000.00	3.75%					
			07/01/28	40,000.00	3.75%					
			07/01/29	40,000.00	4.00%					
			07/01/30	40,000.00	4.00%					
			07/01/31	40,000.00	4.00%					
			07/01/32	40,000.00	4.00%					
						2,260,000.00	-	335,000.00	-	1,925,000.00
			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%					



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Purpose	Date of Issue	Original Issue	Outstanding December 31, 2015		Interest Rate	Balance December 31, 2015	Increased	Decreased	Refunded	Balance December 31, 2016
			Date	Amount						
Refunding Bonds (2003)	05/22/12	350,000.00	12/31/17	75,000.00	4.00%	220,000.00	-	70,000.00	-	150,000.00
			12/31/18	75,000.00	4.00%					
MCIA General Improvement Bonds	12/19/12	1,460,000.00	12/01/17	95,000.00	3.00%	1,195,000.00	-	90,000.00	-	1,105,000.00
			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	12/01/17	160,000.00	4.00%	1,205,000.00	-	150,000.00	-	1,055,000.00
			12/01/18	165,000.00	4.00%					
			12/01/19	170,000.00	4.00%					
			12/01/20	180,000.00	5.00%					
			12/01/21	185,000.00	5.00%					
			12/01/22	195,000.00	5.00%					
MCIA General Improvement Bonds	12/24/14	2,200,000.00	12/01/17	220,000.00	4.00%	1,985,000.00	-	215,000.00	-	1,770,000.00
			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%					
Refunding Bonds (2008)	05/18/16	5,175,000.00	01/01/19	385,000.00	3.00%	-	5,175,000.00	-	-	5,175,000.00

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Purpose	Date of Issue	Outstanding December 31, 2015		Interest Rate	Balance December 31,									
		Date	Amount		2015	Increased	Decreased	Refunded	2016					
		01/01/20	400,000.00	3.00%										
		01/01/21	415,000.00	3.00%										
		01/01/22	430,000.00	4.00%										
		01/01/23	450,000.00	4.00%										
		01/01/24	470,000.00	4.00%										
		01/01/25	490,000.00	4.00%										
		01/01/26	515,000.00	4.00%										
		01/01/27	535,000.00	4.00%										
		01/01/28	545,000.00	4.00%										
		01/01/29	540,000.00	3.25%										
					\$	18,880,000.00	\$	5,175,000.00	\$	1,615,000.00	\$	5,420,000.00	\$	17,020,000.00

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<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, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
11-1329	12/13/13	12/01/16	11/30/17	0.95%	\$ 1,300,000.00	\$ 1,595,000.00	\$ 1,300,000.00	\$ 1,595,000.00
11-1329	12/13/13	12/01/16	11/30/17	0.95%	1,521,000.00	700,000.00	1,521,000.00	700,000.00
16-1399/16-1405	12/01/16	12/01/16	11/30/17	0.95%	-	1,624,000.00	-	1,624,000.00
					<u>\$ 2,821,000.00</u>	<u>\$ 3,919,000.00</u>	<u>\$ 2,821,000.00</u>	<u>\$ 3,919,000.00</u>
Cash Disbursed - Renewals						\$ 3,919,000.00	\$ 2,295,423.43	
Repayment of BAN with Cash Note						-	525,576.57	
						<u>\$ 3,919,000.00</u>	<u>\$ 2,821,000.00</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, 2016**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Schedule of Maturities</u>		<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Principal Payment</u>	<u>Balance December 31, 2016</u>
			<u>Date</u>	<u>Principal</u>				
Riverdale Park Acquisition	05/09/97	\$ 739,750.00	02/14/17	22,772.28	2.0%	<u>\$ 67,642.68</u>	<u>\$ 44,870.40</u>	<u>\$ 22,772.28</u>
						<u>\$ 67,642.68</u>	<u>\$ 44,870.40</u>	<u>\$ 22,772.28</u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DOT GRANT RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
Grant Award - NJ DOT - Pine Street	<u>250,000.00</u>
	250,000.00
Decreased By:	
Cash Receipts	<u>187,500.00</u>
Balance, December 31, 2016	<u><u>\$ 62,500.00</u></u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

2016 Authorizations														
Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2015		Transferred From Encumbrances Payable	BAN's	Grants Receivable	Capital Improvement Fund	Paid or Charged	Transferred To Encumbrances Payable	Cancelled/ Adjustments	Balance December 31, 2016	
				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	205,608.72	-	-	-	-	-	52,347.60	13,567.38	-	139,693.74	-
06-1206	Drainage Outfall Improvements	12/05/06	200,000.00	11,172.91	156.00	3,921.60	-	-	-	-	-	15,250.51	-	-
09-1286	Various Items of Equipment	12/01/09	1,095,000.00	53,135.12	-	-	-	-	-	30,808.63	-	-	22,326.49	-
11-1325	Various Capital Improvements	09/20/11	1,067,000.00	114,696.56	-	-	-	-	-	6,299.99	12,860.10	-	95,536.47	-
11-1329	Acquisition of Real Property	11/01/11	5,665,000.00	-	643,538.43	-	-	-	-	-	-	643,538.43	-	-
12-1342	Improvements to West Park Ave.	05/01/12	305,000.00	-	-	-	-	-	-	1,211.36	-	-	-	-
12-1345	2012 Road Program	06/19/12	1,907,500.00	80,740.06	-	259,266.36	-	-	-	333,411.05	-	-	6,595.37	-
12-1348	Acq. Of Radios & Technology Equipment	07/17/12	110,000.00	-	-	-	-	-	-	-	-	-	1,853.82	-
13-1362	Various Equipment	05/21/13	677,000.00	-	-	-	-	-	-	97,916.97	28,668.90	-	-	-
13-1370	2014 Road Improvement Program	12/17/13	2,389,750.00	53,947.42	-	37,136.85	-	-	-	39,726.56	39,726.56	-	10,009.25	-
14-1377	2014 Various Capital Improvements	08/05/14	832,500.00	-	-	103,223.27	-	-	-	110,780.31	23,310.96	-	432,967.03	-
16-1395	2016 Refunding Bonds	09/20/16	6,000,000.00	-	-	-	6,000,000.00	-	-	5,876,420.01	-	123,579.99	-	-
16-1399/16-1405	Various Capital Improvements	05/17/16	1,960,000.00	-	-	-	1,624,000.00	250,000.00	86,000.00	793,702.97	820,497.03	-	-	345,800.00
				\$ 1,113,850.93	\$ 643,694.43	\$ 403,548.08	\$ 7,624,000.00	\$ 250,000.00	\$ 86,000.00	\$ 7,345,311.41	\$ 938,630.93	\$ 782,368.93	\$ 708,982.17	\$ 345,800.00

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 74,477.00
Increased By:	
Budget Appropriation	<u>50,000.00</u>
	124,477.00
Decreased By:	
Improvement Authorization	<u>86,000.00</u>
Balance, December 31, 2016	<u><u>\$ 38,477.00</u></u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF MISCELLANEOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
Reserve for:				
Sidewalk Contributions	\$ 26,215.99	\$ -	\$ -	\$ 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	434,980.08	-	480,037.34
	<u>\$ 216,277.41</u>	<u>\$ 434,980.08</u>	<u>\$ -</u>	<u>\$ 651,257.49</u>



**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, 2016**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2015</u>	<u>2016 Authorizations</u>	<u>Serial Bonds Issued</u>	<u>BAN's Issued</u>	<u>Premium on Bonds</u>	<u>Wire Paid By Capital Cash</u>	<u>Cancelled</u>	<u>Balance December 31, 2016</u>
06-1206	Drainage Outfall Improvements	\$ 156.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156.00	\$ -
11-1329	Acquisition of Real Property	643,115.00	-	-	-	-	423.43	642,691.57	-
16-1395	2016 Refunding Bonds	-	6,000,000.00	5,175,000.00	-	702,496.30	-	122,503.70	-
16-1399	Various Capital Improvements	-	1,624,000.00	-	1,624,000.00	-	-	-	-
		<u>\$ 643,271.00</u>	<u>\$ 7,624,000.00</u>	<u>\$ 5,175,000.00</u>	<u>\$ 1,624,000.00</u>	<u>\$ 702,496.30</u>	<u>\$ 423.43</u>	<u>\$ 765,351.27</u>	<u>\$ -</u>

*This page intentionally left blank*

<b>SEWER UTILITY FUND</b>
---------------------------

*This page intentionally left blank*

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2015	\$ 3,255,655.96	\$ 347,159.29
Increased By Receipts:		
Consumer Accounts Receivable	\$ 3,606,483.55	-
Non-Budget Revenue	616,229.56	-
Prepaid Rents	375,937.57	-
	<u>4,598,650.68</u>	<u>-</u>
	7,854,306.64	347,159.29
Decreased By Disbursements:		
2016 Budget Appropriations	3,483,549.23	-
2015 Appropriation Reserves	239,947.37	-
Improvement Authorizations	<u>-</u>	<u>\$ 312,993.74</u>
	<u>3,723,496.60</u>	<u>312,993.74</u>
Balance, December 31, 2016	<u><u>\$ 4,130,810.04</u></u>	<u><u>\$ 34,165.55</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, 2016**

		Balance December 31, <u>2016</u>
Encumbrances Payable		\$ 21,334.03
Fund Balance		4,678.64
<u>Ordinance</u>	<u>Improvement Description</u>	
<u>Number</u>		
14-1376	Various Pump Station Improvements and Generator Replacements	<u>8,152.88</u>
		<u><u>\$ 34,165.55</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, 2016**

Balance, December 31, 2015		\$ 142,147.12
Increased By:		
Sewer Rents Levied		<u>3,986,711.49</u>
		4,128,858.61
Decreased By:		
Collections	\$ 3,606,483.55	
Prepaid Rents Applied	366,343.40	
Transfer to Sewer Liens	<u>722.61</u>	
		<u>3,973,549.56</u>
Balance, December 31, 2016		<u><u>\$ 155,309.05</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, 2016**

<u>Description</u>	Balance December 31, <u>2015</u>	<u>Capital Outlay</u>	Transferred From Fixed Capital Authorized and Uncompleted	Balance December 31, <u>2016</u>
Construction of a System Interceptor and Collection System	\$ 7,895,324.05	\$ -	\$ -	\$ 7,895,324.05
Installation of Sanitary Sewer Mains (01-1059)	505,519.98	-	-	505,519.98
Squankum Pump Station	234,851.06	230,310.12	530,000.00	995,161.18
Wyncrest Pump Station	1,303,957.34	-	-	1,303,957.34
	<u>\$ 9,939,652.43</u>	<u>\$ 230,310.12</u>	<u>\$ 530,000.00</u>	<u>\$ 10,699,962.55</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, 2016**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		Balance December 31, <u>2015</u>	Transferred To Fixed Capital	Balance December 31, <u>2016</u>
		<u>Date</u>	<u>Amount</u>			
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>\$ 530,000.00</u>	<u>\$ 400,000.00</u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2015 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 81,949.03	\$ 81,949.03	\$ -	\$ 81,949.03
Other Expenses	388,836.64	388,836.64	55,551.09	333,285.55
Total Operating	470,785.67	470,785.67	55,551.09	415,234.58
Capital Improvements:				
Capital Outlay	221,027.49	221,027.49	211,012.51	10,014.98
Total Capital Improvements	221,027.49	221,027.49	211,012.51	10,014.98
Statutory Expenditures:				
Contributions To:				
Public Employee's Retirement System	-	-		-
Social Security System (O.A.S.I.)	3,740.15	3,740.15	-	3,740.15
Total Statutory Expenditures	3,740.15	3,740.15	-	3,740.15
Total Sewer Utility Fund Appropriations	<u>\$ 695,553.31</u>	<u>\$ 695,553.31</u>	<u>\$ 266,563.60</u>	<u>\$ 428,989.71</u>
Appropriation Reserves		\$ 439,488.52		
Encumbrances Payable		<u>256,064.79</u>		
		<u>\$ 695,553.31</u>		
Cash Disbursements			\$ 239,947.37	
Accounts Payable			<u>26,616.23</u>	
			<u>\$ 266,563.60</u>	

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
Appropriation Reserves	<u>26,616.23</u>
Balance, December 31, 2016	<u><u>\$ 26,616.23</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, 2016**

Balance, December 31, 2015	\$ 366,343.40
Increased By:	
Collections - 2017 Sewer Rents	<u>375,937.57</u>
	742,280.97
Decreased By:	
Applied To 2016 Sewer Rents Receivable	<u>366,343.40</u>
Balance, December 31, 2016	<u><u>\$ 375,937.57</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, 2016**

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Amount</u>	<u>Balance December 31, 2015</u>		<u>Transferred From Encumbrances Payable</u>	<u>Paid or Charged</u>	<u>Transferred To Encumbrances Payable</u>	<u>Balance December 31, 2016</u>	
				<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	\$ -	\$ -	\$ 4,106.78	\$ -	\$ -	\$ -
Various Pump Station Improvements and Generator Replacements	14-1376	08/05/14	400,000.00	-	-	338,373.87	308,886.96	21,334.03	8,152.88	-
				\$ 4,106.78	\$ -	\$ 338,373.87	\$ 312,993.74	\$ 21,334.03	\$ 8,152.88	\$ -

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015			\$ 9,939,652.43
Increased By:			
Transferred From Deferred Reserve for Amortization	\$ 530,000.00		
Capital Outlay	<u>230,310.12</u>		
			<u>760,310.12</u>
Balance, December 31, 2016			<u><u>\$ 10,699,962.55</u></u>

**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, 2016**

Balance, December 31, 2015	\$ 930,000.00
Decreased By:	
Transferred To Reserve for Amortization	<u>530,000.00</u>
Balance, December 31, 2016	<u><u>\$ 400,000.00</u></u>

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF DUE TO GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
Disbursements Paid by Grant Fund	<u>3,225.36</u>
Balance, December 31, 2016	<u><u>\$ 3,225.36</u></u>



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF SEWER LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$	-
Increased By:			
Transfer from Sewer Accounts Receivable	722.61		
Penalties & Costs	<u>78.53</u>		
			<u>801.14</u>
Balance, December 31, 2016		\$	<u><u>801.14</u></u>

*This page intentionally left blank*

**GENERAL FIXED ASSETS ACCOUNT GROUP**

*This page intentionally left blank*

**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, 2016**

	Balance, December 31, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2016</u>
Land	\$ 18,721,988.85	\$ 332,600.00	\$ 368,700.00	\$ 18,685,888.85
Buildings	24,936,207.62	-	204,941.38	24,731,266.24
Improvements Other Than Buildings	41,291.65	-	-	41,291.65
Machinery and Equipment	10,410,387.92	452,761.94	230,145.60	10,633,004.26
	<u>\$ 54,109,876.04</u>	<u>\$ 785,361.94</u>	<u>\$ 803,786.98</u>	<u>\$ 54,091,451.00</u>

*This page intentionally left blank*

<b>COMMENTS AND RECOMMENDATIONS</b>
-------------------------------------

*This page intentionally left blank*



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, 2016.

### 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 \$40,000 for the period of January 1, 2016 to December 31, 2016, 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.

### **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 \$6,000 for the period of January 1, 2016 to December 31, 2016, 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, 2016 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 1<sup>st</sup> 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 2016 with the governing body.

### **Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2016 included real estate taxes for 2016.

The last tax sale was held on December 21, 2016 and was complete.

Inspection of 2016 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:

<b>YEAR</b>	<b>NUMBER OF LIENS</b>
2016	15
2015	11
2014	9

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, 2016:

NAME	POSITION
Gerald Turning, Sr.	Mayor
Gary Baldwin	Council President
Nancyanne Fama	Deputy Council President
John Manginelli	Council Member
Christopher Pak	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 30, 2017  
Freehold, New Jersey