

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2017**



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

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **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 as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2017 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 Borough'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.

## **Opinions**

### **Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America**

As described in Note 1, the financial statements are prepared by the Borough of Tinton Falls on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, 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, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

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

In our opinion, 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 of the Borough, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2017 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**

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are 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 28, 2018 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 483

Freehold, New Jersey  
June 28, 2018

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and 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, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 28, 2018. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully Submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 498

Freehold, New Jersey  
June 28, 2018

## **BASIC FINANCIAL STATEMENTS**

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**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

|   | <u>Reference</u> | <u>2017</u>             | <u>2016</u>             |
|---|------------------|-------------------------|-------------------------|
| <u>Assets</u>   |                  |                         |                         |
| Cash  | A-4              | \$ 18,810,623.99        | \$ 14,393,378.55        |
| Cash - Change Fund  | A-5              | 825.00                  | 825.00                  |
| Due From State of New Jersey -<br>Seniors' and Veterans' Deductions | A-6              | 1,817.91                | 1,567.91                |
|   |                  | <u>18,813,266.90</u>    | <u>14,395,771.46</u>    |
| Receivables With Full Reserves:                                     |                  |                         |                         |
| Delinquent Property Taxes Receivable                                | A-7              | 575,754.55              | 932,448.00              |
| Tax Title Liens Receivable  | A-8              | 101,455.84              | 74,898.21               |
| Debris Liens Receivable   | A-9              | 10,340.51               | -                       |
| Revenue Accounts Receivable   | A-10             | 35,096.49               | 32,562.93               |
|   |                  | <u>722,647.39</u>       | <u>1,039,909.14</u>     |
|   |                  | <u>19,535,914.29</u>    | <u>15,435,680.60</u>    |
| Grant Fund:   |                  |                         |                         |
| Cash  | A-4              | 386,305.22              | 265,523.87              |
| Grants Receivable   | A-21             | -                       | 291,900.00              |
| Due From Sewer Operating  | A-24             | -                       | 3,225.36                |
|   |                  | <u>386,305.22</u>       | <u>560,649.23</u>       |
| Total Grant Fund  |                  | <u>386,305.22</u>       | <u>560,649.23</u>       |
| Total Assets  |                  | <u>\$ 19,922,219.51</u> | <u>\$ 15,996,329.83</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  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

|   | <u>Reference</u> | <u>2017</u>      | <u>2016</u>      |
|---|------------------|------------------|------------------|
| <u>Liabilities, Reserves and Fund Balance</u> |                  |                  |                  |
| Appropriation Reserves                        | A-3              | \$ 1,458,481.12  | \$ 1,141,522.31  |
| Encumbrances Payable                          | A-3              | 607,032.51       | 417,139.27       |
| Due to State of NJ                            | A-11             | 8,945.00         | 7,636.00         |
| Accounts Payable                              | A-13             | 118,539.02       | 118,539.02       |
| County Taxes Payable                          | A-14             | 149,861.54       | 221,370.39       |
| Prepaid Taxes                                 | A-15             | 2,476,517.63     | 342,491.76       |
| Tax Overpayments                              | A-16             | 24,107.59        | 12,359.47        |
| Regional District School Tax Payable          | A-17             | 3,069,680.77     | 2,731,381.77     |
| Regional District High School Tax Payable     | A-18             | 4,073,937.47     | 4,101,818.46     |
| Interfund Payable - Sewer Operating           | D                | 289.51           | -                |
|   |                  | 11,987,392.16    | 9,094,258.45     |
| Reserve for Receivables                       | A                | 722,647.39       | 1,039,909.14     |
| Fund Balance                                  | A-1              | 6,825,874.74     | 5,301,513.01     |
|   |                  | 19,535,914.29    | 15,435,680.60    |
| Grant Fund:                                   |                  |                  |                  |
| Encumbrances Payable                          | A-22             | 183,498.61       | 16,691.73        |
| Reserve for Grants:                           |                  |                  |                  |
| Appropriated                                  | A-22             | 131,023.93       | 538,175.12       |
| Unappropriated                                | A-23             | 71,782.68        | 5,782.38         |
| Total Grant Fund                              |                  | 386,305.22       | 560,649.23       |
| Total Liabilities, Reserves and Fund Balance  |                  | \$ 19,922,219.51 | \$ 15,996,329.83 |

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

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

|  | <u>Reference</u> | <u>2017</u>     | <u>2016</u>     |
|--|------------------|-----------------|-----------------|
| Revenue and Other Income Realized:           |                  |                 |                 |
| Fund Balance Utilized                        | A-2              | \$ 3,375,000.00 | \$ 3,525,000.00 |
| Miscellaneous Revenue Anticipated            | A-2              | 7,714,903.04    | 6,633,878.31    |
| Receipts From Delinquent Taxes               | A-2              | 935,171.35      | 657,368.01      |
| Receipts From Current Taxes                  | A-2,4-A          | 62,909,465.85   | 62,983,276.94   |
| Non-Budget Revenue                           | A-2,1-A          | 897,063.94      | 1,131,108.30    |
| Other Credit To Income:                      |                  |                 |                 |
| Unexpended Balance of Appropriation Reserves | A-12             | 1,199,800.97    | 873,544.41      |
| Due From Fire/EMS/School - Fuel              | A,1-A            | -               | 5,651.75        |
| Cancellation of Outstanding Checks           | A-1              | -               | 77.00           |
|  |                  | <hr/>           | <hr/>           |
| Total Revenue                                |                  | 77,031,405.15   | 75,809,904.72   |
|  |                  | <hr/>           | <hr/>           |
| Expenditures:                                |                  |                 |                 |
| Budget Appropriations Within "CAPS":         |                  |                 |                 |
| Operations:                                  |                  |                 |                 |
| Salaries and Wages                           | A-3              | 11,135,912.00   | 10,942,312.00   |
| Other Expenses                               | A-3              | 7,406,851.00    | 7,260,820.00    |
| Deferred Charges and Statutory               | A-3              | 2,552,335.00    | 2,406,859.00    |
| Appropriations Excluded From "CAPS":         |                  |                 |                 |
| Operations:                                  |                  |                 |                 |
| Other Expenses                               | A-3              | 484,606.60      | 527,579.93      |
| Capital Improvements                         | A-3              | 596,300.00      | 154,000.00      |
| Municipal Debt Service                       | A-3              | 2,464,936.13    | 2,349,277.42    |
| County Taxes                                 | A-14             | 9,360,079.17    | 9,584,017.08    |
| Regional District School Tax                 | A-17             | 22,791,555.00   | 23,076,751.00   |
| Regional District High School Tax            | A-18             | 12,688,338.00   | 12,744,100.00   |
| Municipal Open Space Tax                     | A-19             | 697,314.70      | 686,135.10      |
| Special District Taxes                       | A-20             | 1,942,549.00    | 1,924,306.00    |
| Due From State of New Jersey - Senior        |                  |                 |                 |
| Citizens' Deductions Disallowed              | A-6              | 5,762.33        | 2,863.01        |
| Refund of Prior Year Revenue                 | A-1              | 324.00          | 2,613.60        |
| Prior Year Tax Appeal Refunds                | A-1              | 5,180.49        | 125,411.77      |
|  |                  | <hr/>           | <hr/>           |
| Total Expenditures                           |                  | 72,132,043.42   | 71,787,045.91   |
|  |                  | <hr/>           | <hr/>           |
| Excess in Revenue                            |                  | 4,899,361.73    | 4,022,858.81    |
|  |                  |                 |                 |
| Fund Balance, January 1                      |                  | 5,301,513.01    | 4,803,654.20    |
|  |                  | <hr/>           | <hr/>           |
|  |                  | 10,200,874.74   | 8,826,513.01    |
| Decreased By:                                |                  |                 |                 |
| Utilized as Anticipated Revenue              |                  | 3,375,000.00    | 3,525,000.00    |
|  |                  | <hr/>           | <hr/>           |
| Fund Balance, December 31                    |                  | \$ 6,825,874.74 | \$ 5,301,513.01 |
|  |                  | <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 REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|   | <u>Budget</u>           | <u>Budget<br/>Amendments</u> | <u>Realized</u>         | <u>Excess/<br/>(Deficit)</u> |
|---|-------------------------|------------------------------|-------------------------|------------------------------|
| Surplus Anticipated                                     | \$ 3,375,000.00         | \$ -                         | \$ 3,375,000.00         | \$ -                         |
| Miscellaneous Revenues:                                 |                         |                              |                         |                              |
| Licenses:   |                         |                              |                         |                              |
| Alcoholic Beverages                                     | 35,000.00               | -                            | 37,680.00               | 2,680.00                     |
| Other   | 20,000.00               | -                            | 32,984.00               | 12,984.00                    |
| Fees and Permits  | 325,000.00              | -                            | 375,733.42              | 50,733.42                    |
| Fines and Costs:  |                         |                              |                         |                              |
| Municipal Court   | 450,000.00              | -                            | 466,656.20              | 16,656.20                    |
| Interest and Costs on Taxes                             | 109,000.00              | -                            | 151,932.80              | 42,932.80                    |
| Interest on Investments and Deposits                    | 40,000.00               | -                            | 136,502.84              | 96,502.84                    |
| Commercial Garbage Fees                                 | 60,000.00               | -                            | 70,252.00               | 10,252.00                    |
| Energy Receipts Tax                                     | 1,490,459.00            | -                            | 1,490,459.00            | -                            |
| Uniform Construction Code Fees                          | 318,000.00              | -                            | 545,281.00              | 227,281.00                   |
| Host Municipalities Act                                 | 1,600,000.00            | -                            | 2,467,134.08            | 867,134.08                   |
| Franchise Fees  | 296,000.00              | -                            | 296,918.00              | 918.00                       |
| Open Space Trust:                                       |                         |                              |                         |                              |
| Interest on Notes                                       | 6,632.00                | -                            | 6,632.00                | -                            |
| Bond Principal  | 83,761.00               | -                            | 83,761.00               | -                            |
| Interest on Bonds                                       | 48,618.00               | -                            | 48,618.00               | -                            |
| Hotel Occupancy Tax                                     | 340,000.00              | -                            | 406,836.49              | 66,836.49                    |
| PILOT - CommVault                                       | 241,292.00              | -                            | 229,227.40              | (12,064.60)                  |
| General Capital - Reserve for Sidewalks                 | 26,215.99               | -                            | 26,215.99               | -                            |
| General Capital - Reserve for Debt Service              | 480,037.34              | -                            | 480,037.34              | -                            |
| Municipal Court Services - Monmouth Beach & Eatontown   | 127,000.00              | -                            | 265,259.88              | 138,259.88                   |
| Public and Private Revenues Offset with Appropriations: |                         |                              |                         |                              |
| Recycling Tonnage Grant                                 | 47,925.49               | -                            | 47,925.49               | -                            |
| Body Armor Replacement Fund                             | 3,788.14                | -                            | 3,788.14                | -                            |
| Clean Communities Program                               |                         | 43,073.73                    | 43,073.73               | -                            |
| Municipal Court Alcohol Education & Rehab               | 1,994.24                | -                            | 1,994.24                | -                            |
| Total Miscellaneous Revenues                            | 6,150,723.20            | 43,073.73                    | 7,714,903.04            | 1,521,106.11                 |
| Receipts From Delinquent Taxes                          | 900,000.00              | -                            | 935,171.35              | 35,171.35                    |
| Property Taxes for Support of Municipal                 |                         |                              |                         |                              |
| Budget Appropriations:                                  |                         |                              |                         |                              |
| Local Tax for Municipal Purposes                        | 15,196,680.96           | -                            | 16,454,162.27           | 1,257,481.31                 |
| Budget Totals   | 25,622,404.16           | 43,073.73                    | 28,479,236.66           | 2,813,758.77                 |
| Non-Budget Revenue                                      | -                       | -                            | 897,063.94              | 897,063.94                   |
|   | <u>\$ 25,622,404.16</u> | <u>\$ 43,073.73</u>          | <u>\$ 29,376,300.60</u> | <u>\$ 3,710,822.71</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, 2017**

Analysis of Realized Revenue

Allocation of Current Tax Collections:

|   |                                |
|---|--------------------------------|
| Revenue From Collections                                    | \$ 62,909,465.85               |
| Allocated To School, County, and Municipal Open Space Taxes | <u>47,479,835.87</u>           |
| Balance for Support of Municipal Budget Appropriations      | 15,429,629.98                  |
| Add: Appropriation "Reserve for Uncollected Taxes"          | <u>1,024,532.29</u>            |
| Amount for Support of Municipal Budget Appropriations       | <u><u>\$ 16,454,162.27</u></u> |

Receipts From Delinquent Taxes:

|                            |                             |
|----------------------------|-----------------------------|
| Delinquent Tax Collections | \$ 932,938.54               |
| Tax Title Lien Collections | <u>2,232.81</u>             |
| Delinquent Tax Collections | <u><u>\$ 935,171.35</u></u> |

Fees & Permits:

|                    |                             |
|--------------------|-----------------------------|
| Building           | \$ 103,360.00               |
| Police             | 28,663.31                   |
| Zoning             | 24,879.36                   |
| Planning           | 34,209.75                   |
| Recreation         | 181,666.00                  |
| Other Fees/Permits | <u>2,955.00</u>             |
|                    | <u><u>\$ 375,733.42</u></u> |

Miscellaneous Revenue Not Anticipated:

|                                      |                             |
|--------------------------------------|-----------------------------|
| Payment in Lieu of Taxes:            |                             |
| Ranney School                        | \$ 36,064.18                |
| Tinton Falls Senior L.P.             | 35,150.00                   |
| Pines II at Tinton Falls             | 57,329.00                   |
| Meadowbrook II                       | 40,095.00                   |
| Pine I at Tinton Falls               | 48,804.00                   |
| Radar Properties Urban Renewal       | 71,250.00                   |
| Fire Safety LEA                      | 40,972.05                   |
| Fire Prevention Fees                 | 91,160.00                   |
| State of New Jersey Inspection Fines | 12,340.75                   |
| Sale of Scrap                        | 17,590.16                   |
| 6% Interest - Tax Penalty            | 30,786.83                   |
| Sale of Garbage Cans                 | 5,938.00                    |
| Prior Year Reimbursements            | 1,232.99                    |
| Development Impact Fees              | 361,000.00                  |
| NSF Check Fees                       | 120.00                      |
| Copies                               | 21.35                       |
| Miscellaneous                        | 7,241.78                    |
| Off Duty Administration Fees         | 5,000.00                    |
| T-Mobile Cell Site Lease             | 24,888.00                   |
| Vending Commission                   | 323.00                      |
| ATM Commission                       | 279.00                      |
| Municipal Court Reconciling Items    | 2,233.10                    |
| Inspection Fees - Street Openings    | 5,100.00                    |
| Senior Citizen & Vets Admin Fees     | <u>2,144.75</u>             |
|                                      | <u><u>\$ 897,063.94</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, 2017**

|                               | Appropriations     |                               | Expended           |            |           |           |
|-------------------------------|--------------------|-------------------------------|--------------------|------------|-----------|-----------|
|                               | Original<br>Budget | Budget After<br>Modifications | Paid or<br>Charged | Encumbered | Reserved  | Cancelled |
| <u>GENERAL APPROPRIATIONS</u> |                    |                               |                    |            |           |           |
| Borough Council:              |                    |                               |                    |            |           |           |
| Salaries and Wages            | 23,001.00          | 23,001.00                     | 23,000.38          | -          | 0.62      | -         |
| Other Expenses                | 5,940.00           | 5,940.00                      | 265.00             | 229.72     | 5,445.28  | -         |
| Office of the Mayor:          |                    |                               |                    |            |           |           |
| Salaries and Wages            | 6,001.00           | 6,001.00                      | 6,000.02           | -          | 0.98      | -         |
| Other Expenses                | 8,000.00           | 8,000.00                      | 1,338.96           | -          | 6,661.04  | -         |
| Municipal Clerk:              |                    |                               |                    |            |           |           |
| Salaries and Wages            | 170,000.00         | 170,000.00                    | 164,287.98         | -          | 5,712.02  | -         |
| Other Expenses                | 54,960.00          | 54,960.00                     | 18,972.28          | 3,996.86   | 31,990.86 | -         |
| Office of the Tax Assessor:   |                    |                               |                    |            |           |           |
| Salaries and Wages            | 102,000.00         | 102,000.00                    | 101,899.72         | -          | 100.28    | -         |
| Other Expenses                | 59,625.00          | 59,625.00                     | 40,324.71          | 19,295.73  | 4.56      | -         |
| Division of Administration:   |                    |                               |                    |            |           |           |
| Salaries and Wages            | 387,000.00         | 387,000.00                    | 344,619.35         | -          | 42,380.65 | -         |
| Other Expenses                | 91,270.00          | 91,270.00                     | 71,620.05          | 11,792.66  | 7,857.29  | -         |
| Human Resources:              |                    |                               |                    |            |           |           |
| Salaries and Wages            | 104,100.00         | 104,100.00                    | 104,038.22         | -          | 61.78     | -         |
| Other Expenses                | 27,000.00          | 27,000.00                     | 25,454.12          | -          | 1,545.88  | -         |
| Division of Central Services: |                    |                               |                    |            |           |           |
| Salaries and Wages            | 125,000.00         | 125,000.00                    | 122,086.19         | -          | 2,913.81  | -         |
| Other Expenses:               |                    |                               |                    |            |           |           |
| Miscellaneous Other Expenses  | 47,070.00          | 47,070.00                     | 42,276.59          | 1,243.05   | 3,550.36  | -         |
| Division of Engineering:      |                    |                               |                    |            |           |           |
| Other Expenses                | 110,000.00         | 110,000.00                    | 96,101.32          | 5,398.68   | 8,500.00  | -         |
| Historical Sites Office:      |                    |                               |                    |            |           |           |
| Other Expenses                | 5,000.00           | 5,000.00                      | 949.84             | 2,024.00   | 2,026.16  | -         |
| Division of Law:              |                    |                               |                    |            |           |           |
| Salaries and Wages            | 175,400.00         | 175,400.00                    | 175,383.00         | -          | 17.00     | -         |

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, 2017**

|                                     | Appropriations     |                               | Paid or<br>Charged | Expended   |            |           |
|-------------------------------------|--------------------|-------------------------------|--------------------|------------|------------|-----------|
|                                     | Original<br>Budget | Budget After<br>Modifications |                    | Encumbered | Reserved   | Cancelled |
| Other Expenses                      | 130,000.00         | 130,000.00                    | 65,544.56          | 43,064.79  | 21,390.65  | -         |
| Division of Central Maintenance:    |                    |                               |                    |            |            |           |
| Salaries and Wages                  | 426,000.00         | 426,000.00                    | 415,140.29         | -          | 10,859.71  | -         |
| Other Expenses                      | 322,600.00         | 357,600.00                    | 322,062.80         | 30,672.99  | 4,864.21   | -         |
| Division of Streets:                |                    |                               |                    |            |            |           |
| Salaries and Wages                  | 506,500.00         | 521,500.00                    | 505,403.66         | -          | 16,096.34  | -         |
| Other Expenses                      | 227,300.00         | 217,300.00                    | 147,744.30         | 40,247.48  | 29,308.22  | -         |
| Division of Sanitation:             |                    |                               |                    |            |            |           |
| Salaries and Wages                  | 1,227,000.00       | 1,202,000.00                  | 1,053,621.11       | -          | 148,378.89 | -         |
| Other Expenses:                     |                    |                               |                    |            |            |           |
| Landfill/Solid Waste Disposal Costs | 71,500.00          | 71,500.00                     | 65,770.86          | 5,000.00   | 729.14     | -         |
| Miscellaneous Other Expenses        | 26,200.00          | 26,200.00                     | 12,666.57          | 3,864.48   | 9,668.95   | -         |
| Division of Buildings and Grounds:  |                    |                               |                    |            |            |           |
| Salaries and Wages                  | 341,000.00         | 323,500.00                    | 296,955.24         | -          | 26,544.76  | -         |
| Other Expenses                      | 95,900.00          | 95,900.00                     | 78,459.94          | 9,400.47   | 8,039.59   | -         |
| Maintenance of Parks:               |                    |                               |                    |            |            |           |
| Salaries and Wages                  | 403,000.00         | 403,000.00                    | 373,706.58         | -          | 29,293.42  | -         |
| Other Expenses                      | 47,800.00          | 47,800.00                     | 44,556.78          | 267.52     | 2,975.70   | -         |
| Shade Tree:                         |                    |                               |                    |            |            |           |
| Other Expenses                      | 1,400.00           | 1,400.00                      | 95.00              | -          | 1,305.00   | -         |
| Community Services Act:             |                    |                               |                    |            |            |           |
| Other Expenses                      | 120,000.00         | 120,000.00                    | 79,571.00          | -          | 40,429.00  | -         |
| Police:                             |                    |                               |                    |            |            |           |
| Salaries and Wages                  | 5,045,000.00       | 5,045,000.00                  | 4,994,871.90       | -          | 50,128.10  | -         |
| Other Expenses                      | 304,265.00         | 304,265.00                    | 257,949.06         | 43,881.14  | 2,434.80   | -         |
| Division of Emergency Management:   |                    |                               |                    |            |            |           |
| Salaries and Wages                  | 61,000.00          | 61,000.00                     | 59,872.68          | -          | 1,127.32   | -         |
| Other Expenses                      | 46,785.00          | 46,785.00                     | 22,398.29          | 14,411.34  | 9,975.37   | -         |
| Municipal Prosecutor:               |                    |                               |                    |            |            |           |

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, 2017**

|  | Appropriations     |                               | Paid or<br>Charged | Expended   |           |           |
|--|--------------------|-------------------------------|--------------------|------------|-----------|-----------|
|  | Original<br>Budget | Budget After<br>Modifications |                    | Encumbered | Reserved  | Cancelled |
| Salaries and Wages                       | 38,005.00          | 38,005.00                     | 36,592.66          | -          | 1,412.34  | -         |
| Other Expenses                           | 4,000.00           | 4,000.00                      | -                  | -          | 4,000.00  | -         |
| Division of Finance:                     |                    |                               |                    |            |           |           |
| Salaries and Wages                       | 251,000.00         | 251,000.00                    | 240,196.40         | -          | 10,803.60 | -         |
| Other Expenses:                          |                    |                               |                    |            |           |           |
| Miscellaneous Other Expenses             | 11,200.00          | 11,200.00                     | 8,544.27           | 990.16     | 1,665.57  | -         |
| Auditing Services                        | 29,000.00          | 29,000.00                     | -                  | 29,000.00  | -         | -         |
| Division of Revenue:                     |                    |                               |                    |            |           |           |
| Salaries and Wages                       | 207,000.00         | 207,000.00                    | 198,483.98         | -          | 8,516.02  | -         |
| Other Expenses                           | 18,650.00          | 18,650.00                     | 14,487.90          | 2,624.16   | 1,537.94  | -         |
| Division of Health:                      |                    |                               |                    |            |           |           |
| Other Expenses:                          |                    |                               |                    |            |           |           |
| First Aid                                | 100,000.00         | 100,000.00                    | 100,000.00         | -          | -         | -         |
| Miscellaneous Other Expenses             | 153,400.00         | 153,400.00                    | 153,322.00         | -          | 78.00     | -         |
| Environmental Health Services:           |                    |                               |                    |            |           |           |
| Other Expenses                           | 36,100.00          | 36,100.00                     | 32,410.00          | -          | 3,690.00  | -         |
| Contribution To Social Service Agencies: |                    |                               |                    |            |           |           |
| Other Expenses                           | 19,700.00          | 19,700.00                     | 16,340.00          | -          | 3,360.00  | -         |
| Alliance Program:                        |                    |                               |                    |            |           |           |
| Other Expenses                           | 8,200.00           | 8,200.00                      | 5,869.30           | 2,288.51   | 42.19     | -         |
| Division of Recreation:                  |                    |                               |                    |            |           |           |
| Salaries and Wages                       | 327,000.00         | 327,000.00                    | 326,675.72         | -          | 324.28    | -         |
| Other Expenses                           | 161,551.00         | 161,551.00                    | 128,168.70         | 15,710.33  | 17,671.97 | -         |
| Municipal Library:                       |                    |                               |                    |            |           |           |
| Other Expenses                           | 143,300.00         | 143,300.00                    | 102,300.00         | -          | 41,000.00 | -         |

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, 2017**

|  | Appropriations             |                                       | Paid or<br>Charged | Expended          |                 |                  |
|--|----------------------------|---------------------------------------|--------------------|-------------------|-----------------|------------------|
|  | <u>Original<br/>Budget</u> | <u>Budget After<br/>Modifications</u> |                    | <u>Encumbered</u> | <u>Reserved</u> | <u>Cancelled</u> |
| Division of Housing:                                 |                            |                                       |                    |                   |                 |                  |
| Other Expenses                                       | 28,000.00                  | 28,000.00                             | 443.35             | 25,000.00         | 2,556.65        | -                |
| Division of Planning:                                |                            |                                       |                    |                   |                 |                  |
| Salaries and Wages                                   | 47,600.00                  | 47,600.00                             | 41,676.06          | -                 | 5,923.94        | -                |
| Other Expenses                                       | 58,570.00                  | 58,570.00                             | 20,774.64          | 22,837.44         | 14,957.92       | -                |
| Division of Zoning:                                  |                            |                                       |                    |                   |                 |                  |
| Salaries and Wages                                   | 40,300.00                  | 41,300.00                             | 40,903.54          | -                 | 396.46          | -                |
| Other Expenses                                       | 34,400.00                  | 34,400.00                             | 13,463.62          | 14,773.51         | 6,162.87        | -                |
| Division of Code Enforcement:                        |                            |                                       |                    |                   |                 |                  |
| Salaries and Wages                                   | 163,300.00                 | 163,300.00                            | 158,257.90         | -                 | 5,042.10        | -                |
| Other Expenses                                       | 4,330.00                   | 4,330.00                              | 2,535.42           | 656.49            | 1,138.09        | -                |
| Division of Fire Prevention:                         |                            |                                       |                    |                   |                 |                  |
| Salaries and Wages                                   | 130,000.00                 | 130,000.00                            | 108,494.56         | -                 | 21,505.44       | -                |
| Other Expenses                                       | 7,230.00                   | 7,230.00                              | 5,149.20           | 1,349.57          | 731.23          | -                |
| Animal Control Services:                             |                            |                                       |                    |                   |                 |                  |
| Other Expenses                                       | 24,000.00                  | 24,000.00                             | 24,000.00          | -                 | -               | -                |
| Municipal Court:                                     |                            |                                       |                    |                   |                 |                  |
| Salaries and Wages                                   | 483,700.00                 | 483,700.00                            | 469,686.09         | -                 | 14,013.91       | -                |
| Other Expenses                                       | 33,335.00                  | 33,335.00                             | 25,762.83          | 923.83            | 6,648.34        | -                |
| Public Defender:                                     |                            |                                       |                    |                   |                 |                  |
| Salaries and Wages                                   | 21,505.00                  | 21,505.00                             | 20,703.80          | -                 | 801.20          | -                |
| Other Expenses                                       | 800.00                     | 800.00                                | 800.00             | -                 | -               | -                |
| Public Employees Occupational Safety and Health Act: |                            |                                       |                    |                   |                 |                  |
| Other Expenses                                       | 3,500.00                   | 3,500.00                              | -                  | -                 | 3,500.00        | -                |

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, 2017**

|  | Appropriations             |                                       | Expended                   |                   |                               |
|--|----------------------------|---------------------------------------|----------------------------|-------------------|-------------------------------|
|  | <u>Original<br/>Budget</u> | <u>Budget After<br/>Modifications</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u> | <u>Reserved<br/>Cancelled</u> |
| <u>INSURANCE</u>   |                            |                                       |                            |                   |                               |
| Group Insurance  | 3,200,000.00               | 3,200,000.00                          | 3,200,000.00               | -                 | -                             |
| Liability Insurance                                      | 372,000.00                 | 372,000.00                            | 369,079.17                 | -                 | 2,920.83                      |
| Unemployment Insurance                                   | 25,000.00                  | 25,000.00                             | -                          | -                 | 25,000.00                     |
| Workers Compensation                                     | 183,000.00                 | 183,000.00                            | -                          | -                 | 183,000.00                    |
| <u>UNIFORM CONSTRUCTION CODE APPROPRIATIONS</u>          |                            |                                       |                            |                   |                               |
| <u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u> |                            |                                       |                            |                   |                               |
| State Uniform Construction Code:                         |                            |                                       |                            |                   |                               |
| Salaries and Wages                                       | 351,000.00                 | 351,000.00                            | 318,832.15                 | -                 | 32,167.85                     |
| Other Expenses   | 9,970.00                   | 9,970.00                              | 6,597.55                   | 1,684.19          | 1,688.26                      |
| <u>UNCLASSIFIED</u>                                      |                            |                                       |                            |                   |                               |
| Electricity  | 190,000.00                 | 190,000.00                            | 166,990.69                 |                   | 23,009.31                     |
| Street Lighting  | 100,000.00                 | 100,000.00                            | 90,476.99                  | 8,365.92          | 1,157.09                      |
| Telephone  | 110,000.00                 | 110,000.00                            | 90,424.69                  | 2,805.70          | 16,769.61                     |
| Water  | 15,000.00                  | 15,000.00                             | 11,855.57                  | 1,126.47          | 2,017.96                      |
| Gas  | 50,000.00                  | 50,000.00                             | 42,153.93                  | 3,991.31          | 3,854.76                      |
| Fuel Oil   | 270,000.00                 | 270,000.00                            | 195,828.94                 | 28,123.39         | 46,047.67                     |
| Telecommunications                                       | 75,000.00                  | 75,000.00                             | 64,466.90                  | 5,500.00          | 5,033.10                      |
| Accumulated Leave Compensation                           | 100,000.00                 | 100,000.00                            | 100,000.00                 | -                 | -                             |
| Total Operations - Within "CAPS"                         | 18,544,263.00              | 18,542,763.00                         | 17,087,756.87              | 402,541.89        | 1,052,464.24                  |
| Detail:  |                            |                                       |                            |                   |                               |
| Salaries and Wages                                       | 11,162,412.00              | 11,135,912.00                         | 10,701,389.18              | -                 | 434,522.82                    |
| Other Expenses   | 7,381,851.00               | 7,406,851.00                          | 6,386,367.69               | 402,541.89        | 617,941.42                    |

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, 2017**

|  | <u>Appropriations</u>      |                                       | <u>Expended</u>            |                   |                               |
|--|----------------------------|---------------------------------------|----------------------------|-------------------|-------------------------------|
|  | <u>Original<br/>Budget</u> | <u>Budget After<br/>Modifications</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u> | <u>Reserved<br/>Cancelled</u> |
| Deferred Charges and Statutory Expenditures -<br>Municipal Within "CAPS"         |                            |                                       |                            |                   |                               |
| Statutory Expenditures:  |                            |                                       |                            |                   |                               |
| Contribution To:   |                            |                                       |                            |                   |                               |
| Public Employees Retirement System   | 649,371.00                 | 649,371.00                            | 649,371.00                 | -                 | -                             |
| Social Security System (O.A.S.I.)  | 795,000.00                 | 795,000.00                            | 746,192.00                 | -                 | 48,808.00                     |
| Police and Firemen's Retirement System of N.J                                    | 1,101,464.00               | 1,101,464.00                          | 1,101,464.00               | -                 | -                             |
| Defined Contribution Retirement Program  | 5,000.00                   | 6,500.00                              | 5,955.04                   | -                 | 544.96                        |
| Total Deferred Charges and Statutory<br>Expenditures - Municipal - Within "CAPS" | 2,550,835.00               | 2,552,335.00                          | 2,502,982.04               | -                 | 49,352.96                     |
| Total General Appropriations for Municipal<br>Purposes - Within "CAPS"           | 21,095,098.00              | 21,095,098.00                         | 19,590,738.91              | 402,541.89        | 1,101,817.20                  |
| 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                             | 13,856.21                  | 23.93             | 194.86                        |
| Recycling Tax  | 3,000.00                   | 3,000.00                              | 2,333.37                   | 250.00            | 416.63                        |
| Total Other Operations - Excluded from "CAPS"                                    | 92,697.00                  | 92,697.00                             | 41,711.51                  | 273.93            | 50,711.56                     |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | <u>Appropriations</u>      |                                       | <u>Paid or<br/>Charged</u> | <u>Expended</u>   |                 |                  |
|--|----------------------------|---------------------------------------|----------------------------|-------------------|-----------------|------------------|
|  | <u>Original<br/>Budget</u> | <u>Budget After<br/>Modifications</u> |                            | <u>Encumbered</u> | <u>Reserved</u> | <u>Cancelled</u> |
| Interlocal Municipal Service Agreements:             |                            |                                       |                            |                   |                 |                  |
| County of Monmouth:                                  |                            |                                       |                            |                   |                 |                  |
| Police Dispatching Services                          | 225,268.00                 | 225,268.00                            | 225,267.30                 | -                 | 0.70            | -                |
| Municipal Court - Monmouth Beach & Eatontown         | 65,000.00                  | 65,000.00                             | 61,131.65                  | 1,266.69          | 2,601.66        | -                |
| Total Interlocal Municipal Service Agreements        | 290,268.00                 | 290,268.00                            | 286,398.95                 | 1,266.69          | 2,602.36        | -                |
| Public and Private Programs Offset By Revenues:      |                            |                                       |                            |                   |                 |                  |
| SFSP Fire District Payment                           | 4,860.00                   | 4,860.00                              | 4,860.00                   | -                 | -               | -                |
| Body Armor Replacement Fund                          | 3,788.14                   | 3,788.14                              | 3,788.14                   | -                 | -               | -                |
| Recycling Tonnage Grant                              | 47,925.49                  | 47,925.49                             | 47,925.49                  | -                 | -               | -                |
| Clean Communities Program                            | -                          | 43,073.73                             | 43,073.73                  | -                 | -               | -                |
| Municipal Court Alcohol Education & Rehab            | 1,994.24                   | 1,994.24                              | 1,994.24                   | -                 | -               | -                |
| Total Public and Private Programs Offset By Revenues | 58,567.87                  | 101,641.60                            | 101,641.60                 | -                 | -               | -                |
| Total Operations - Excluded from "CAPS"              | 441,532.87                 | 484,606.60                            | 429,752.06                 | 1,540.62          | 53,313.92       | -                |
| Detail:  |                            |                                       |                            |                   |                 |                  |
| Other Expenses                                       | 441,532.87                 | 484,606.60                            | 429,752.06                 | 1,540.62          | 53,313.92       | -                |

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, 2017**

|   | <u>Appropriations</u>      |                                       | <u>Paid or<br/>Charged</u> | <u>Expended</u>   |                 |                  |
|---|----------------------------|---------------------------------------|----------------------------|-------------------|-----------------|------------------|
|   | <u>Original<br/>Budget</u> | <u>Budget After<br/>Modifications</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             | 40,000.00                  | 40,000.00                             | 40,000.00                  | -                 | -               | -                |
| Improvements to Library                             | 30,000.00                  | 30,000.00                             | -                          | 17,950.00         | 12,050.00       | -                |
| Improvements to Sidewalks                           | 26,300.00                  | 26,300.00                             | -                          | -                 | 26,300.00       | -                |
| Improvements to Various Roads                       | 265,000.00                 | 265,000.00                            | -                          | -                 | 265,000.00      | -                |
| Acquisition of a Roll-Off Truck                     | 185,000.00                 | 185,000.00                            | -                          | 185,000.00        | -               | -                |
| Total Capital Improvements - Excluded From "CAPS"   | 596,300.00                 | 596,300.00                            | 90,000.00                  | 202,950.00        | 303,350.00      | -                |
| Municipal Debt Service - Excluded From "CAPS":      |                            |                                       |                            |                   |                 |                  |
| Payment of Bond Principal                           | 1,595,000.00               | 1,595,000.00                          | 1,595,000.00               | -                 | -               | -                |
| Payment of Bond Anticipation Notes & Capital Notes  | 150,000.00                 | 150,000.00                            | 150,000.00                 | -                 | -               | -                |
| Interest on Bonds                                   | 659,813.00                 | 659,813.00                            | 659,809.07                 | -                 | -               | 3.93             |
| Interest on Notes                                   | 37,128.00                  | 37,128.00                             | 37,127.08                  | -                 | -               | 0.92             |
| Green Trust Loan Program:                           |                            |                                       |                            |                   |                 |                  |
| Loan Repayments for Principal and Interest          | 23,000.00                  | 23,000.00                             | 22,999.98                  | -                 | -               | 0.02             |
| Total Municipal Debt Service - Excluded From "CAPS" | 2,464,941.00               | 2,464,941.00                          | 2,464,936.13               | -                 | -               | 4.87             |

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, 2017**

|   | Appropriations     |                               | Paid or<br>Charged | Expended      |                 |           |
|---|--------------------|-------------------------------|--------------------|---------------|-----------------|-----------|
|   | Original<br>Budget | Budget After<br>Modifications |                    | Encumbered    | Reserved        | Cancelled |
| Total General Appropriations for Municipal<br>Purposes - Excluded From "CAPS" | 3,502,773.87       | 3,545,847.60                  | 2,984,688.19       | 204,490.62    | 356,663.92      | 4.87      |
| Subtotal General Appropriations   | 24,597,871.87      | 24,640,945.60                 | 22,575,427.10      | 607,032.51    | 1,458,481.12    | 4.87      |
| Reserve for Uncollected Taxes   | 1,024,532.29       | 1,024,532.29                  | 1,024,532.29       | -             | -               | -         |
| Total General Appropriations  | \$ 25,622,404.16   | \$ 25,665,477.89              | \$ 23,599,959.39   | \$ 607,032.51 | \$ 1,458,481.12 | \$ 4.87   |
| Budget as Adopted   | \$ 25,622,404.16   |                               |                    |               |                 |           |
| Added by N.J.S. 40A:4-87  |                    | 43,073.73                     |                    |               |                 |           |
| Analysis of Paid or Charged:  | \$ 25,665,477.89   |                               |                    |               |                 |           |
| Reserve for Uncollected Taxes   | \$ 1,024,532.29    |                               |                    |               |                 |           |
| Cash Disbursed  | 22,473,785.50      |                               |                    |               |                 |           |
| Reserve for Appropriated Grants   | 101,641.60         |                               |                    |               |                 |           |
|   | \$ 23,599,959.39   |                               |                    |               |                 |           |

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

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

| <u>Assets</u>                                       | <u>Reference</u> | <u>2017</u>            | <u>2016</u>            |
|---|------------------|------------------------|------------------------|
| Animal Control Trust Fund:                          |                  |                        |                        |
| Cash - Treasurer                                    | B-1              | \$ 8,412.03            | \$ 7,357.23            |
| Cash - Change Fund                                  | B                | -                      | 30.00                  |
|   |                  | <u>8,412.03</u>        | <u>7,387.23</u>        |
| Open Space Trust:                                   |                  |                        |                        |
| Cash - Treasurer                                    | B-1              | <u>1,612,627.51</u>    | <u>527,972.28</u>      |
|   |                  | <u>1,612,627.51</u>    | <u>527,972.28</u>      |
| Other Trust Funds:                                  |                  |                        |                        |
| Cash - Treasurer                                    | B-1              | 5,766,702.62           | 4,443,748.26           |
| Off Duty Police Receivable                          | B-2              | -                      | 2,027.75               |
| Mortgage Receivable                                 | B                | <u>300,000.00</u>      | <u>300,000.00</u>      |
|   |                  | <u>6,066,702.62</u>    | <u>4,745,776.01</u>    |
| Length of Service Award Program<br>Fund ("LOSAP"):  |                  |                        |                        |
| Investments   | B-8              | <u>567,607.74</u>      | <u>485,031.81</u>      |
| Total Assets  |                  | <u>\$ 8,255,349.90</u> | <u>\$ 5,766,167.33</u> |
| <u>Liabilities, Reserves and Fund Balance</u>       |                  |                        |                        |
| Animal Control Trust Fund:                          |                  |                        |                        |
| Encumbrances Payable                                | B-4              | \$ 2,654.00            | \$ 2,559.00            |
| Reserve for Animal Control Fund Expenditures        | B-4              | 5,754.43               | 4,827.03               |
| Due to State of New Jersey                          | B-3              | <u>3.60</u>            | <u>1.20</u>            |
|   |                  | <u>8,412.03</u>        | <u>7,387.23</u>        |
| Open Space Trust Fund:                              |                  |                        |                        |
| Reserve for Open Space                              | B-5              | 491,828.97             | 415,209.08             |
| Encumbrances Payable                                | B-6              | <u>1,120,798.54</u>    | <u>112,763.20</u>      |
|   |                  | <u>1,612,627.51</u>    | <u>527,972.28</u>      |
| Other Trust Funds:                                  |                  |                        |                        |
| Encumbrances Payable                                | B-7              | 49,777.21              | 84,606.26              |
| Reserve for Miscellaneous Trust Funds               | B-7              | 5,716,925.41           | 4,361,169.75           |
| Mortgage Receivable                                 | B                | <u>300,000.00</u>      | <u>300,000.00</u>      |
|   |                  | <u>6,066,702.62</u>    | <u>4,745,776.01</u>    |
| Length of Service Award Program<br>Fund ("LOSAP") : |                  |                        |                        |
| Miscellaneous Reserves                              | B-8              | <u>567,607.74</u>      | <u>485,031.81</u>      |
| Total Liabilities, Reserves and Fund Balance        |                  | <u>\$ 8,255,349.90</u> | <u>\$ 5,766,167.33</u> |

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

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**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

| <u>Assets</u>                                 | <u>Reference</u> | <u>2017</u>             | <u>2016</u>             |
|---|------------------|-------------------------|-------------------------|
| Cash  | C-2,C-3          | \$ 1,163,605.77         | \$ 2,621,904.83         |
| DOT Grant Receivable                          | C-9              | 62,500.00               | 62,500.00               |
| Deferred Charges To Future Taxation:          |                  |                         |                         |
| Funded  | C-4              | 15,425,000.00           | 17,042,772.28           |
| Unfunded                                      | C-5              | 3,469,000.00            | 3,919,000.00            |
| Total Assets                                  |                  | <u>\$ 20,120,105.77</u> | <u>\$ 23,646,177.11</u> |
| <u>Liabilities, Reserves and Fund Balance</u> |                  |                         |                         |
| Serial Bonds Payable                          | C-6              | \$ 15,425,000.00        | \$ 17,020,000.00        |
| Bond Anticipation Notes                       | C-7              | 3,469,000.00            | 3,919,000.00            |
| Green Trust Loan Program                      | C-8              | -                       | 22,772.28               |
| Encumbrances Payable                          | C-10             | 70,088.00               | 938,630.93              |
| Improvement Authorizations:                   |                  |                         |                         |
| Funded  | C-10             | 513,173.35              | 708,982.17              |
| Unfunded                                      | C-10             | 395,006.82              | 345,800.00              |
| Capital Improvement Fund                      | C-11             | 88,477.00               | 38,477.00               |
| Miscellaneous Reserves                        | C-12             | 158,103.36              | 651,257.49              |
| Fund Balance                                  | C-1              | 1,257.24                | 1,257.24                |
| Total Liabilities, Reserves and Fund Balance  |                  | <u>\$ 20,120,105.77</u> | <u>\$ 23,646,177.11</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 FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 and 2016

\$ 1,257.24

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  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

|  | <u>Reference</u> | <u>2017</u>             | <u>2016</u>             |
|--|------------------|-------------------------|-------------------------|
| <u>Assets</u>                          |                  |                         |                         |
| Operating Fund:                        |                  |                         |                         |
| Cash                                   | D-5              | 3,847,942.45            | 4,130,760.04            |
| Cash - Change Fund                     | D                | 50.00                   | 50.00                   |
| Due From Current Fund                  | A                | 289.51                  | -                       |
|  |                  | <u>3,848,281.96</u>     | <u>4,130,810.04</u>     |
| Receivables With Full Reserves:        |                  |                         |                         |
| Sewer Rent Receivable                  | D-7              | 143,284.77              | 155,309.05              |
| Sewer Liens Receivable                 | D                | 758.00                  | 801.14                  |
|  |                  | <u>144,042.77</u>       | <u>156,110.19</u>       |
| Total Operating Fund                   |                  | <u>3,992,324.73</u>     | <u>4,286,920.23</u>     |
| Capital Fund:                          |                  |                         |                         |
| Cash                                   | D-5,D-6          | 15,013.47               | 34,165.55               |
| Fixed Capital                          | D-8              | 11,218,524.46           | 10,699,962.55           |
| Fixed Capital Authorized and Completed | D-9              | 400,000.00              | 400,000.00              |
|  |                  | <u>11,633,537.93</u>    | <u>11,134,128.10</u>    |
| Total Capital Fund                     |                  | <u>11,633,537.93</u>    | <u>11,134,128.10</u>    |
| Total Assets                           |                  | <u>\$ 15,625,862.66</u> | <u>\$ 15,421,048.33</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  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

|  | <u>Reference</u> | <u>2017</u>             | <u>2016</u>             |
|--|------------------|-------------------------|-------------------------|
| <u>Liabilities, Reserves and Fund Balances</u> |                  |                         |                         |
| Operating Fund:                                |                  |                         |                         |
| Appropriation Reserves                         | D-4              | \$ 443,234.32           | \$ 587,093.81           |
| Encumbrances Payable                           | D-4              | 203,053.26              | 526,431.60              |
| Accounts Payable                               | D-11             | 45,121.37               | 26,616.23               |
| Prepaid Sewer Rents                            | D-12             | 400,257.11              | 375,937.57              |
| Due To Grant Fund                              | D-16             | -                       | 3,225.36                |
| Overpaid Sewer Rents                           | D-17             | 94.75                   | -                       |
|  |                  | <u>1,091,760.81</u>     | <u>1,519,304.57</u>     |
| Reserve for Receivables                        | D                | 144,042.77              | 156,110.19              |
| Fund Balance                                   | D-1              | <u>2,756,521.15</u>     | <u>2,611,505.47</u>     |
| Total Operating Fund                           |                  | <u>3,992,324.73</u>     | <u>4,286,920.23</u>     |
| Capital Fund:                                  |                  |                         |                         |
| Improvement Authorizations:                    |                  |                         |                         |
| Funded   | D-13             | 6,569.62                | 8,152.88                |
| Encumbrances Payable                           | D-13             | 3,765.21                | 21,334.03               |
| Reserve for:                                   |                  |                         |                         |
| Amortization                                   | D-14             | 11,218,524.46           | 10,699,962.55           |
| Deferred Amortization                          | D-15             | 400,000.00              | 400,000.00              |
| Fund Balance                                   | D-2              | <u>4,678.64</u>         | <u>4,678.64</u>         |
| Total Capital Fund                             |                  | <u>11,633,537.93</u>    | <u>11,134,128.10</u>    |
| Total Liabilities, Reserves and Fund Balances  |                  | <u>\$ 15,625,862.66</u> | <u>\$ 15,421,048.33</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  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

|  | <u>Reference</u> | <u>2017</u>                   | <u>2016</u>                   |
|--|------------------|-------------------------------|-------------------------------|
| Revenue and Other Income Realized:           |                  |                               |                               |
| Fund Balance Utilized                        | D-3              | \$ 1,200,000.00               | \$ 900,000.00                 |
| Sewer Rents                                  | D-3              | 4,330,540.93                  | 3,972,826.95                  |
| Non-Budget Revenue                           | D-3              | 309,534.95                    | 616,229.56                    |
| Other Credits To Income:                     |                  |                               |                               |
| Unexpended Balance of Appropriation Reserves | D-10             | <u>608,939.80</u>             | <u>428,989.71</u>             |
| Total Revenue                                |                  | <u>6,449,015.68</u>           | <u>5,918,046.22</u>           |
| Expenditures:                                |                  |                               |                               |
| Operating                                    | D-4              | 4,526,500.00                  | 3,898,177.00                  |
| Capital Improvements                         | D-4              | 460,000.00                    | 600,000.00                    |
| Deferred Charges and Statutory Expenditures  | D-4              | <u>117,500.00</u>             | <u>102,123.00</u>             |
| Total Expenditures                           |                  | <u>5,104,000.00</u>           | <u>4,600,300.00</u>           |
| Excess in Revenue                            |                  | 1,345,015.68                  | 1,317,746.22                  |
| Fund Balance, January 1                      | D                | <u>2,611,505.47</u>           | <u>2,193,759.25</u>           |
|  |                  | 3,956,521.15                  | 3,511,505.47                  |
| Decreased By:                                |                  |                               |                               |
| Utilized as Anticipated Revenue              | D-1              | <u>1,200,000.00</u>           | <u>900,000.00</u>             |
| Fund Balance, December 31                    |                  | <u><u>\$ 2,756,521.15</u></u> | <u><u>\$ 2,611,505.47</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 CAPITAL FUND  
STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 and 2016

\$ 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, 2017**

|                                       | <u>Budget</u>          | <u>Realized</u>        | <u>Excess/<br/>(Deficit)</u> |
|---------------------------------------|------------------------|------------------------|------------------------------|
| Surplus Utilized                      | \$ 1,200,000.00        | \$ 1,200,000.00        | \$ -                         |
| Sewer Rents                           | 3,904,000.00           | 4,330,540.93           | 426,540.93                   |
| Miscellaneous Revenue Not Anticipated | -                      | 309,534.95             | 309,534.95                   |
|                                       | <u>\$ 5,104,000.00</u> | <u>\$ 5,840,075.88</u> | <u>\$ 736,075.88</u>         |

Analysis of Realized Revenues

|                             |                        |
|-----------------------------|------------------------|
| Sewer Rents:                |                        |
| Collections                 | \$ 3,954,603.36        |
| Prepaid Sewer Rents Applied | <u>375,937.57</u>      |
|                             | <u>\$ 4,330,540.93</u> |
|                             |                        |
| Miscellaneous:              |                        |
| Interest on Investments     | \$ 24,926.14           |
| Delinquent Charges          | 39,123.42              |
| Sewer Connection Charge     | 222,300.00             |
| Sewer Liens                 | 1,085.39               |
| Miscellaneous Revenue       | <u>22,100.00</u>       |
|                             | <u>\$ 309,534.95</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, 2017**

|                                     | <u>Appropriations</u>      |                                       | <u>Expended</u>            |                   |                 |                  |
|-------------------------------------|----------------------------|---------------------------------------|----------------------------|-------------------|-----------------|------------------|
|                                     | <u>Original<br/>Budget</u> | <u>Budget After<br/>Modifications</u> | <u>Paid or<br/>Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Cancelled</u> |
| Operating:                          |                            |                                       |                            |                   |                 |                  |
| Salaries and Wages                  | \$ 641,000.00              | \$ 651,000.00                         | \$ 642,683.83              |                   | \$ 8,316.17     | \$ -             |
| Other Expenses                      | 3,885,500.00               | 3,875,500.00                          | 3,596,988.02               | 71,335.14         | 207,176.84      | -                |
| Total Operating                     | 4,526,500.00               | 4,526,500.00                          | 4,239,671.85               | 71,335.14         | 215,493.01      | -                |
| Capital Improvements:               |                            |                                       |                            |                   |                 |                  |
| Capital Outlay                      | 460,000.00                 | 460,000.00                            | 103,905.23                 | 131,718.12        | 224,376.65      | -                |
| Total Capital Improvements          | 460,000.00                 | 460,000.00                            | 103,905.23                 | 131,718.12        | 224,376.65      | -                |
| Statutory Expenditures:             |                            |                                       |                            |                   |                 |                  |
| Contributions To:                   |                            |                                       |                            |                   |                 |                  |
| Public Employees' Retirement System | 65,000.00                  | 65,000.00                             | 65,000.00                  | -                 | -               | -                |
| Social Security System (O.A.S.I.)   | 51,000.00                  | 51,000.00                             | 47,635.34                  | -                 | 3,364.66        | -                |
| Unemployment Compensation Insurance | 1,500.00                   | 1,500.00                              | 1,500.00                   | -                 | -               | -                |
| Total Statutory Expenditures        | 117,500.00                 | 117,500.00                            | 114,135.34                 | -                 | 3,364.66        | -                |
| Total Sewer Utility Appropriations  | \$ 5,104,000.00            | \$ 5,104,000.00                       | \$ 4,457,712.42            | \$ 203,053.26     | \$ 443,234.32   | \$ -             |

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**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2017 AND 2016**

| <u>Assets</u>                     | <u>Reference</u> | <u>2017</u>             | <u>2016</u>             |
|-----------------------------------|------------------|-------------------------|-------------------------|
| Land                              | E                | \$ 18,640,888.85        | \$ 18,685,888.85        |
| Buildings                         | E                | 24,621,266.24           | 24,731,266.24           |
| Improvements Other Than Buildings | E                | 41,291.65               | 41,291.65               |
| Machinery and Equipment           | E                | 11,289,372.03           | 10,633,004.26           |
| Total Assets                      |                  | <u>\$ 54,592,818.77</u> | <u>\$ 54,091,451.00</u> |
| <u>Fund Balance</u>               |                  |                         |                         |
| Investment in Fixed Assets        | E                | <u>\$ 54,592,818.77</u> | <u>\$ 54,091,451.00</u> |
| Fund Balance                      |                  | <u>\$ 54,592,818.77</u> | <u>\$ 54,091,451.00</u> |

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

The Borough of Tinton Falls, County of Monmouth, New Jersey (hereafter referred to as the "Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. Administrative responsibilities are assigned to the Borough Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

**Component Units** - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Borough 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 State of America applicable to local government units. The more significant differences are explained further in this note.

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

**Current Fund** – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

**General Capital Fund** – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

**Utility Operating and Capital Funds** – These funds accounts for utility 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 utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

**General Fixed Asset Account Group** – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Borough.

**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**Budgets and Budgetary Accounting** - The Borough must adopt an annual budget for its Current and Utility 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 February 10<sup>th</sup> of each year. At introduction, the governing body must 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 municipality. 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.40A:4-9*. 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 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. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**Cash, Cash Equivalents and Investments** - 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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore unrealized gains or losses on investments have not been recorded.

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 utilities 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, 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.

**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.

**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**Inventories and Supplies** - The cost 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** – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Utility Fixed Assets** – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**Foreclosed property** – Foreclosed Property or "Property Acquired for Taxes" 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 overexpenditures 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.

**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**Fund Balance** – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

**Revenues** – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are 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 revenues when received.

**Utility Revenues** – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Boroughs utility operating fund.

**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, Fire Districts 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 statutes.

**County Taxes** – The municipality 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<sup>th</sup> 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<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Tinton Falls School District Monmouth Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30.

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July I to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

**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.

**Expenditures** – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount.



**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

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 interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided 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 cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31<sup>st</sup> of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

**Long-Term Debt** - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility Capital Fund. 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** – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

**Recent Accounting Pronouncements** – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Borough’s financial statements.

**Note 2. Deposits and Investments**

The Borough is governed by the deposit and investment limitations of New Jersey state law.

**Deposits**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough’s deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by 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 OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 2. Deposits and Investments (continued)**

Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2017, the Borough's bank balance of \$31,444,891.35 was insured or collateralized as follows:

|                                |                                |
|--------------------------------|--------------------------------|
| Insured under FDIC and GUDPA   | \$ 30,084,677.02               |
| NJ Cash Management Fund        | 627,392.79                     |
| Uninsured and Uncollateralized | <u>732,821.54</u>              |
|                                | <u><u>\$ 31,444,891.35</u></u> |

**Investments**

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Borough's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Borough's fair value, hierarchy level and maturities of its investments at December 31, 2017 would be as followed:

| <u>Investment type</u> | Carrying<br>Value    | Fair Value as of December 31, 2017 |                      |                      | Investment<br>Maturities (in<br>Years) |
|------------------------|----------------------|------------------------------------|----------------------|----------------------|--|
|                        |                      | Level 1                            | Level 3              | Total                | Less Than<br>1 Year                    |
| Mutual Funds           | <u>\$ 567,607.74</u> | <u>\$ 451,303.17</u>               | <u>\$ 116,304.57</u> | <u>\$ 567,607.74</u> | <u>\$ 567,607.74</u>                   |
| <u>Fund</u>            |                      |                                    |                      |                      |  |
| Trust Fund - LOSAP     | <u>567,607.74</u>    | <u>451,303.17</u>                  | <u>116,304.57</u>    | <u>567,607.74</u>    | <u>567,607.74</u>                      |
|                        | <u>\$ 567,607.74</u> | <u>\$ 451,303.17</u>               | <u>\$ 116,304.57</u> | <u>\$ 567,607.74</u> | <u>\$ 567,607.74</u>                   |

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 2. Deposits and Investments (continued)**

15.1, 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 to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. As of December 31, 2017, the Borough's investments had the following ratings:

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A: 5-15.1, the Borough's investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough's investments are in Mutual Funds. These investments represent 100% of the Borough's total investments.

**Note 3. 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 Schedule of Tax Rates**

|                            | <u>2017</u>     | <u>2016</u>     | <u>2015</u>     |
|----------------------------|-----------------|-----------------|-----------------|
| Tax Rate                   | <u>\$ 1.987</u> | <u>\$ 2.032</u> | <u>\$ 2.007</u> |
| Apportionment of Tax Rate: |                 |                 |                 |
| Municipal                  | 0.521           | 0.515           | 0.504           |
| County General             | 0.303           | 0.315           | 0.320           |
| Regional School            | 0.747           | 0.774           | 0.768           |
| Regional High School       | 0.416           | 0.428           | 0.415           |

**Assessed Valuation**

| <u>Year</u> | <u>Amount</u>       |
|-------------|---------------------|
| 2017        | \$ 3,049,303,860.00 |
| 2016        | 2,981,053,901.00    |
| 2015        | 2,924,903,485.00    |

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 3. Property Taxes (continued)**

**Comparison of Tax Levies and Collections**

| <u>Year</u> | <u>Tax Levy</u> | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
|-------------|-----------------|-------------------------|---------------------------------|
| 2017        | \$63,548,857.94 | \$62,909,465.85         | 98.99%                          |
| 2016        | 63,965,319.60   | 62,983,276.94           | 98.46%                          |
| 2015        | 61,116,926.90   | 60,405,342.54           | 98.83%                          |

**Delinquent Taxes and Tax Title Liens**

| <u>Year</u> | <u>Tax Title Liens</u> | <u>Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage Of Tax Levy</u> |
|-------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2017        | \$ 101,455.84          | \$ 575,754.55           | \$ 677,210.39           | 1.07%                         |
| 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%                         |

The last tax sale was held on December 6, 2017.

**Note: 4: Property Acquired By Tax Title Lien Liquidation**

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2017, 2016 or 2015.

**Note: 5: Sewer Utility Service**

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

| <u>Year</u> | <u>Beginning Balance</u> | <u>Levy</u>     | <u>Total</u>    | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
|-------------|--------------------------|-----------------|-----------------|-------------------------|---------------------------------|
| 2017        | \$ 155,309.05            | \$ 4,319,750.62 | \$ 4,475,059.67 | \$ 4,331,774.90         | 96.79%                          |
| 2016        | 142,147.12               | 3,986,711.49    | 4,128,858.61    | 3,973,549.56            | 96.23%                          |
| 2015        | 132,318.86               | 3,882,860.30    | 4,015,179.16    | 3,873,032.04            | 96.45%                          |

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 6. Fund Balances Appropriated**

The following schedule details the amount of fund balances available at the end of the current year and two previous years and the amounts utilized in the subsequent year's budgets:

| <u>Year</u>                    | <u>Balance<br/>December 31,</u> | <u>Utilized in<br/>Budget of<br/>Succeeding Year</u> | <u>Percentage<br/>of Fund<br/>Balance Used</u> |
|--------------------------------|---------------------------------|--|--|
| <b>Current Fund:</b>           |                                 |  |  |
| 2017                           | \$ 6,825,874.74                 | \$ 3,500,000.00                                      | 51.28%   |
| 2016                           | 5,301,513.01                    | 3,375,000.00   | 63.66%   |
| 2015                           | 4,803,654.20                    | 3,525,000.00   | 73.38%   |
| <b>Utility Operating Fund:</b> |                                 |  |  |
| 2017                           | \$ 2,756,521.15                 | 1,200,000.00   | 43.53%   |
| 2016                           | 2,611,505.47                    | 1,200,000.00   | 45.95%   |
| 2015                           | 2,193,759.25                    | 900,000.00   | 41.03%   |

**Note 7. Disaggregated Receivable and Payable Balances**

There are no significant components of receivable and payable balances reported in the financial statements.

**Note 8. Interfund Receivables, Payables and Transfers**

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2017:

| <b>Fund</b>            | <b>Interfund<br/>Receivable</b> | <b>Interfund<br/>Payable</b> |
|------------------------|---------------------------------|------------------------------|
| Current Fund           | \$ -                            | \$ 289.51                    |
| Utility Operating Fund | 289.51                          | -                            |
|                        | <u>\$ 289.51</u>                | <u>\$ 289.51</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.

**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 9. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2017.

|                                      | Balance<br>December 31,<br><u>2016</u> | <u>Additions</u>     | <u>Deletions</u>     | Balance<br>December 31,<br><u>2017</u> |
|--------------------------------------|--|----------------------|----------------------|--|
| Land                                 | \$ 18,685,888.85                       | \$ -                 | \$ 45,000.00         | \$ 18,640,888.85                       |
| Buildings                            | 24,731,266.24                          | -                    | 110,000.00           | 24,621,266.24                          |
| Improvements Other Than<br>Buildings | 41,291.65                              | -                    | -                    | 41,291.65                              |
| Machinery & Equipment                | 10,633,004.26                          | 792,928.61           | 136,560.84           | 11,289,372.03                          |
|                                      | <u>\$ 54,091,451.00</u>                | <u>\$ 792,928.61</u> | <u>\$ 291,560.84</u> | <u>\$ 54,592,818.77</u>                |

**Note 10. 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 <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> 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<sup>th</sup> 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

**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

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 2017, 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. For the year ended December 31, 2017, the Borough's contractually required contribution to PERS plan was \$729,762.

**Components of Net Pension Liability** - At December 31, 2017, the Borough's proportionate share of the PERS net pension liability was \$18,337,454. The net pension liability was measured as of June 30, 2017. 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, 2016, which was rolled forward to June 30, 2017. 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, 2017. The Borough's proportion measured as of June 30, 2017, was .078775% which was a decrease of .001095% from its proportion measured as of June 30, 2016.

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

**Collective Balances at December 31, 2017 and December 31, 2016**

|   | <u>12/31/2017</u> | <u>12/30/2016</u> |
|---|-------------------|-------------------|
| Actuarial valuation date (including roll forward)               | June 30, 2017     | June 30, 2016     |
| Deferred Outflows of Resources                                  | \$ 4,969,756      | \$ 7,162,014      |
| Deferred Inflows of Resources                                   | 4,020,581         | 203,531           |
| Net Pension Liability   | 18,337,454        | 23,654,981        |
| <br>Borough's portion of the Plan's total net pension Liability | <br>0.07877%      | <br>0.07987%      |

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2017, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2017 measurement date is \$1,322,648. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$729,762 to the plan in 2017.

At December 31, 2017, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between Expected<br>and Actual Experience  | \$ 431,784                                | \$ -                                     |
| Changes of Assumptions   | 3,694,365                                 | 3,680,821                                |
| Net Difference between Projected<br>and Actual Earnings on Pension<br>Plan Investments                             | 124,866                                   | -  |
| Changes in Proportion and Differences<br>between Borough Contributions and<br>Proportionate Share of Contributions | <u>718,741</u>                            | <u>339,760</u>                           |
|  | <u>\$ 4,969,756</u>                       | <u>\$ 4,020,581</u>                      |

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:



**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

|  | <b><u>Deferred<br/>Outflow of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflow of<br/>Resources</u></b> |
|--|---|--|
| Differences between Expected<br>and Actual Experience  |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | -   | -  |
| June 30, 2015  | 5.72  | -  |
| June 30, 2016  | 5.57  | -  |
| June 30, 2017  | 5.48  | -  |
| Changes of Assumptions   |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | 6.44  | -  |
| June 30, 2015  | 5.72  | -  |
| June 30, 2016  | 5.57  | -  |
| June 30, 2017  | -   | 5.48   |
| Net Difference between Projected<br>and Actual Earnings on Pension<br>Plan Investments                     |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | -   | 5.00   |
| June 30, 2015  | -   | 5.00   |
| June 30, 2016  | 5.00  | -  |
| June 30, 2017  | 5.00  | -  |
| Changes in Proportion and Differences<br>between Contributions and<br>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   |
| June 30, 2017  | 5.48  | 5.48   |

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

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:

| <b>Year Ending<br/>Dec 31,</b> | <b><u>Amount</u></b>     |
|--------------------------------|--------------------------|
| 2018                           | \$ 519,961               |
| 2019                           | 727,291                  |
| 2020                           | 517,373                  |
| 2021                           | (424,842)                |
| 2022                           | <u>(390,607)</u>         |
|                                | <u><u>\$ 949,176</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:

|                                |                              |
|--------------------------------|------------------------------|
| Inflation                      | 2.25%                        |
| Salary Increases:              |                              |
| Through 2026                   | 1.65% - 4.15% Based on Age   |
| Thereafter                     | 2.65% - 5.15% Based on Age   |
| Investment Rate of Return      | 7.00%                        |
| Mortality Rate Table           | RP-2000                      |
| Period of Actuarial Experience |                              |
| Study upon which Actuarial     |                              |
| Assumptions were Based         | July 1, 2011 - June 30, 2014 |

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

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
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**Note 10. Pension Obligations (continued)**

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

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, 2016 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 (7.00% at June 30, 2017) 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 PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

| <u>Asset Class</u>                | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|-----------------------------------|------------------------------|---|
| Absolute Return/Risk Mitigation   | 5.00%                        | 5.51%   |
| Cash                              | 5.50%                        | 1.00%   |
| U.S. Treasuries                   | 3.00%                        | 1.87%   |
| Investment grade credit           | 10.00%                       | 3.78%   |
| Public High Yield                 | 2.50%                        | 6.82%   |
| Global Diversified Credit         | 5.00%                        | 7.10%   |
| Credit Oriented Hedge Funds       | 1.00%                        | 6.60%   |
| Debt Related Private Equity       | 2.00%                        | 10.63%  |
| Debt Related Real Estate          | 1.00%                        | 6.61%   |
| Private Real Asset                | 2.50%                        | 11.83%  |
| Equity Related Real Estate        | 6.25%                        | 9.23%   |
| U.S. Equity                       | 30.00%                       | 8.19%   |
| Non-U.S. Developed Markets Equity | 11.50%                       | 9.00%   |
| Emerging Markets Equity           | 6.50%                        | 11.64%  |
| Buyouts/Venture Capital           | 8.25%                        | 13.08%  |
|                                   | <u>100.00%</u>               |   |

**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

**Discount Rate** - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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 (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

|   | <b>1%<br/>Decrease<br/>(4.00%)</b> | <b>Current<br/>Discount Rate<br/>(5.00%)</b> | <b>1%<br/>Increase<br/>(6.00%)</b> |
|---|------------------------------------|--|------------------------------------|
| Borough's Proportionate Share<br>of the Net Pension Liability | \$ 22,748,856                      | \$ 18,337,454                                | \$ 14,662,209                      |

**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 <http://www.nj.gov/treasury/pensions/financial-reports.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                           |

**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

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.

**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 2017, 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. For the year ended December 31, 2017, the Borough's contractually required contributions to PFRS plan was \$1,216,260.

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

**Net Pension Liability and Pension Expense** - At December 31, 2017 the Borough's proportionate share of the PFRS net pension liability was \$21,216,171. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. 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, 2017. The Borough's proportion measured as of June 30, 2017, was .137428%, which was an increase of .002335% from its proportion measured as of June 30, 2016.

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

**Collective Balances at December 31, 2017 and December 31, 2016**

|   | <u>12/31/2017</u> | <u>12/31/2016</u> |
|---|-------------------|-------------------|
| Actuarial valuation date (including roll forward)           | June 30, 2017     | June 30, 2016     |
| Deferred Outflows of Resources                              | \$ 4,693,286      | \$ 7,054,336      |
| Deferred Inflows of Resources                               | 3,691,593         | 298,201           |
| Net Pension Liability                                       | 21,216,171        | 25,806,123        |
| Borough's portion of the Plan's total net pension Liability | 0.13743%          | 0.13509%          |

**Pension Expense and Deferred Outflows/Inflows of Resources** – At December 31, 2017, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2017 measurement date was \$1,924,159. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$1,216,260 to the plan in 2017.

At December 31, 2017, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between Expected<br>and Actual Experience  | \$ 137,638                                | \$ 124,521                               |
| Changes of Assumptions   | 2,616,190                                 | 3,474,588                                |
| Net Difference between Projected<br>and Actual Earnings on Pension<br>Plan Investments                             | 404,854                                   | -  |
| Changes in Proportion and Differences<br>between Borough Contributions and<br>Proportionate Share of Contributions | 1,534,604                                 | 92,484                                   |
|  | <u>\$ 4,693,286</u>                       | <u>\$ 3,691,593</u>                      |

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

|  | <b><u>Deferred<br/>Outflow of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflow of<br/>Resources</u></b> |
|--|---|--|
| Differences between Expected<br>and Actual Experience  |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | -   | -  |
| June 30, 2015  | -   | 5.53   |
| June 30, 2016  | -   | 5.58   |
| June 30, 2017  | 5.59  | -  |
| Changes of Assumptions   |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | 6.17  | -  |
| June 30, 2015  | 5.53  | -  |
| June 30, 2016  | 5.58  | -  |
| June 30, 2017  | -   | 5.59   |
| Net Difference between Projected<br>and Actual Earnings on Pension<br>Plan Investments                     |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | -   | 5.00   |
| June 30, 2015  | -   | 5.00   |
| June 30, 2016  | 5.00  | -  |
| June 30, 2017  | 5.00  | -  |
| Changes in Proportion and Differences<br>between Contributions and<br>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   |
| June 30, 2017  | 5.59  | 5.59   |

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

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:

| <b>Year Ending</b>    |                      |                  |
|-----------------------|----------------------|------------------|
| <b><u>Dec 31,</u></b> | <b><u>Amount</u></b> |                  |
| 2018                  | \$                   | 653,847          |
| 2019                  |                      | 1,064,094        |
| 2020                  |                      | 263,801          |
| 2021                  |                      | (588,686)        |
| 2022                  |                      | (391,362)        |
|                       |                      | <hr/>            |
|                       | \$                   | <u>1,001,694</u> |

**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 PFRS net pension liability attributable to the Borough is \$2,376,390 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. 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, 2017 was .137428%, which was an increase of .002335% from its proportion measured as of June 30, 2016, which is the same proportion as the Borough's. At December 31, 2017, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

|  |                      |
|--|----------------------|
| Borough's Proportionate Share of Net Pension Liability   | \$ 21,216,171        |
| State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough | <u>2,376,390</u>     |
|  | <u>\$ 23,592,561</u> |



**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

At December 31, 2017, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2017 measurement date was \$290,686.

**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:

|                                |                              |
|--------------------------------|------------------------------|
| Inflation                      | 2.25%                        |
| Salary Increases:              |                              |
| Through 2026                   | 2.10% - 8.98% Based on Age   |
| Thereafter                     | 3.10% - 9.98% Based on Age   |
| Investment Rate of Return      | 7.00%                        |
| Mortality Rate Table           | RP-2000                      |
| Period of Actuarial Experience |                              |
| Study upon which Actuarial     |                              |
| Assumptions were Based         | July 1, 2010 - June 30, 2013 |

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, 2016 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 (7.00% at June 30, 2017) 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

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

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

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, 2017 are summarized in the following table:

| <u>Asset Class</u>                | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Absolute Return/Risk Mitigation   | 5.00%                    | 5.51%   |
| Cash                              | 5.50%                    | 1.00%   |
| U.S. Treasuries                   | 3.00%                    | 1.87%   |
| Investment grade credit           | 10.00%                   | 3.78%   |
| Public High Yield                 | 2.50%                    | 6.82%   |
| Global Diversified Credit         | 5.00%                    | 7.10%   |
| Credit Oriented Hedge Funds       | 1.00%                    | 6.60%   |
| Debt Related Private Equity       | 2.00%                    | 10.63%  |
| Debt Related Real Estate          | 1.00%                    | 6.61%   |
| Private Real Asset                | 2.50%                    | 11.83%  |
| Equity Related Real Estate        | 6.25%                    | 9.23%   |
| U.S. Equity                       | 30.00%                   | 8.19%   |
| Non-U.S. Developed Markets Equity | 11.50%                   | 9.00%   |
| Emerging Markets Equity           | 6.50%                    | 11.64%  |
| Buyouts/Venture Capital           | 8.25%                    | 13.08%  |
|                                   | <u>100.00%</u>           |   |

**Discount Rate** - The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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 FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued)**

**B. Police and Firemen's Retirement System (PFRS) (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 (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

|  | <b>1%<br/>Decrease<br/>(<u>5.14%</u>)</b> | <b>Current<br/>Discount Rate<br/>(<u>6.14%</u>)</b> | <b>1%<br/>Increase<br/>(<u>7.14%</u>)</b> |
|--|---|---|---|
| Borough's Proportionate Share<br>of the Net Pension Liability  | \$ 27,954,053                             | \$ 21,216,171                                       | \$ 15,680,235                             |
| State of New Jersey's Proportionate<br>Share of Net Pension Liability<br>associated with the Borough | <u>3,131,090</u>                          | <u>2,376,390</u>                                    | <u>1,756,319</u>                          |
|  | <u>\$ 31,085,143</u>                      | <u>\$ 23,592,561</u>                                | <u>\$ 17,436,554</u>                      |

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

**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt**

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

|   | <u>2017</u>             | <u>2016</u>             | <u>2015</u>             |
|---|-------------------------|-------------------------|-------------------------|
| <b>Issued:</b>                                |                         |                         |                         |
| General:                                      |                         |                         |                         |
| Bonds, Notes and Loans                        | \$ 18,894,000.00        | \$ 20,961,772.28        | \$ 21,768,642.68        |
|   | <hr/>                   | <hr/>                   | <hr/>                   |
| Total Debt Issued                             | 18,894,000.00           | 20,961,772.28           | 21,768,642.68           |
|   | <hr/>                   | <hr/>                   | <hr/>                   |
| <b>Authorized but not issued:</b>             |                         |                         |                         |
| General:                                      |                         |                         |                         |
| Bonds, Notes and Loans                        | -                       | -                       | 643,271.00              |
|   | <hr/>                   | <hr/>                   | <hr/>                   |
| Total Authorized But Not Issued               | -                       | -                       | 643,271.00              |
|   | <hr/>                   | <hr/>                   | <hr/>                   |
| <b>Total Gross Debt</b>                       | <u>\$ 18,894,000.00</u> | <u>\$ 20,961,772.28</u> | <u>\$ 22,411,913.68</u> |
|   | <hr/>                   | <hr/>                   | <hr/>                   |
| <b>Deductions:</b>                            |                         |                         |                         |
| General:                                      |                         |                         |                         |
| Funds on Hand For Payment of Bonds and Notes: |                         |                         |                         |
| Open Space - Trust Fund Tax                   | 1,640,353.79            | 2,504,152.00            | 2,979,184.06            |
|   | <hr/>                   | <hr/>                   | <hr/>                   |
| Total Deductions                              | 1,640,353.79            | 2,504,152.00            | 2,979,184.06            |
|   | <hr/>                   | <hr/>                   | <hr/>                   |
| <b>Total Net Debt</b>                         | <u>\$ 17,253,646.21</u> | <u>\$ 18,457,620.28</u> | <u>\$ 19,432,729.62</u> |

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

|                      | <u>Gross Debt</u>       | <u>Deductions</u>      | <u>Net Debt</u>         |
|----------------------|-------------------------|------------------------|-------------------------|
| Regional School Debt | \$ 7,321,404.97         | \$ 7,321,404.97        | \$ -                    |
| General Debt         | 18,894,000.00           | 1,640,353.79           | 17,253,646.21           |
|                      | <hr/>                   | <hr/>                  | <hr/>                   |
|                      | <u>\$ 26,215,404.97</u> | <u>\$ 8,961,758.76</u> | <u>\$ 17,253,646.21</u> |

Net Debt \$17,253,646.21 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$3,049,303,860, equals .566% . New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2017 is calculated as follows:

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued)**

Borrowing Power Under N.J.S. 40A:2-6 as Amended

|   |                      |
|---|----------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 106,725,635.10    |
| Net Debt  | <u>17,253,646.21</u> |

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

|   |                 |
|---|-----------------|
| Cash Receipts From Fees, Rents<br>or Other Charges for the Year | \$ 5,840,075.88 |
|---|-----------------|

Deductions:

|              |                     |
|--------------|---------------------|
| Debt Service | <u>4,643,500.00</u> |
|--------------|---------------------|

|                  |                     |
|------------------|---------------------|
| Total Deductions | <u>4,643,500.00</u> |
|------------------|---------------------|

|                             |                        |
|-----------------------------|------------------------|
| Excess/(Deficit) in Revenue | <u>\$ 1,196,575.88</u> |
|-----------------------------|------------------------|

\*If Excess in Revenues all Utility Debt is Deducted

**General Debt**

**A. Serial Bonds Payable**

On January 3, 2008, the Borough issued \$8,688,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 4.00% and mature on January 1, 2018.

On November 16, 2010, the Borough issued \$5,753,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 3.125% to 4.00% and mature on July 1, 2032.

On November 16, 2010, the Borough issued \$907,000.00 of Refunding Bonds for Open Space. The Refunding Bonds. were issued at interest rates varying from 3.125% to 4.00% and mature on July 1, 2032.

On January 24, 2011, the Borough issued \$3,510,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates of 5.00% and mature on January 15, 2021.

On May 22, 2012, the Borough issued \$350,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates of 4.00% and mature on December 31, 2018.

On December 19, 2012, the Borough issued \$1,460,000.00 of MCIA General Obligation Bonds. The MCIA General Obligation Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on December 1, 2026.

**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued)**

On December 10, 2013, the Borough issued \$1,485,000.00 of MCIA General Obligation Bonds. The MCIA General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 1, 2022.

On December 24, 2014, the Borough issued \$2,200.00 of MCIA General Obligation Bonds. The MCIA General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 1, 2024.

On May 18, 2016, the Borough issued \$5,175,000 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on January 1, 2029.

Principal and interest due on the outstanding bonds is as follows:

| <u>Year</u> | <u>Principal</u>        | <u>Interest</u>        | <u>Total</u>            |
|-------------|-------------------------|------------------------|-------------------------|
| 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        | 1,285,000.00            | 336,012.52             | 1,621,012.52            |
| 2023-2027   | 4,995,000.00            | 991,200.00             | 5,986,200.00            |
| 2028-2032   | 2,590,000.00            | 216,062.50             | 2,806,062.50            |
|             | <u>\$ 15,425,000.00</u> | <u>\$ 3,536,950.10</u> | <u>\$ 18,961,950.10</u> |

**B. Bond Anticipation Notes Payable – Short Term Debt**

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2017:

| <u>Description</u>           | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Rate</u> | <u>Balance December 31, 2017</u> |
|------------------------------|----------------------|-------------------------|-------------|----------------------------------|
| Acquisition of Real Property | 11/30/2017           | 10/31/2018              | 1.40%       | \$ 1,845,000.00                  |
| Various Capital Improvements | 11/30/2017           | 10/31/2018              | 1.40%       | \$ 1,624,000.00                  |
|                              |                      |                         |             | <u>\$ 3,469,000.00</u>           |

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**Note 11. Municipal Debt (continued)**

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued)**

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

As of December 31, 2017, The Borough had no bonds and notes authorized but not issued in the General Capital Fund at December 31, 2017.

**Note 12. Deferred School Taxes**

School taxes have been raised and the liability deferred by statutes. The balance of unpaid regional school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

| <u>Regional Tax</u>           | Balance, December 31,  |                        |
|-------------------------------|------------------------|------------------------|
|                               | <u>2017</u>            | <u>2016</u>            |
| Total Balance of Regional Tax | \$ 11,619,680.00       | \$ 11,281,381.00       |
| Deferred Taxes                | <u>8,549,999.23</u>    | <u>8,549,999.23</u>    |
| Regional Tax Payable          | <u>\$ 3,069,680.77</u> | <u>\$ 2,731,381.77</u> |

| <u>Regional High School Tax</u>           | Balance, December 31,  |                        |
|---|------------------------|------------------------|
|   | <u>2017</u>            | <u>2016</u>            |
| Total Balance of Regional High School Tax | \$ 6,344,169.02        | \$ 6,372,050.01        |
| Deferred Taxes                            | <u>2,270,231.55</u>    | <u>2,270,231.55</u>    |
| Regional High School Tax Payable          | <u>\$ 4,073,937.47</u> | <u>\$ 4,101,818.46</u> |

**Note 13. Deferred Compensation Salary Account**

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**BOROUGH OF TINTON FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 14. Accrued Sick, Vacation and Compensation Time**

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, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$1,561,024.39 at December 31, 2017.

**Note 15. Risk Management**

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Joint Insurance Pool**

The Borough is a member of the Municipal Excess Liability Joint Insurance Fund. The fund provides

Worker's Compensation  
Commercial General Liability  
Law Enforcement Professional Liability  
Employer's Liability  
Auto Liability  
Crime

Contributions to the Funds are payable in two installments and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2017 which can be obtained on the Fund's website.

**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 unemployment trust fund for the current and previous two years:

| <u>Year</u> | <u>Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|----------------------|--------------------------|-----------------------|
| 2017        | \$ 27,781.36         | \$ 35,622.96             | \$ 199,934.66         |
| 2016        | 27,285.43            | 35,240.75                | 207,776.26            |
| 2015        | 52,181.94            | 38,663.45                | 215,731.58            |



**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 16. Contingencies**

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2017 the Borough estimates that no material liabilities will result from such audits.

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.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2017.

**Note 17. Length of Service Awards Program**

The Borough's length of service awards program ("LOSAP") is reported in the Borough's trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents of the Borough come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute between \$0.00 and \$1,150.00 for the year ended December 31, 2017 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2017, the Borough contributed a total of \$41,447.09 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 17. Length of Service Awards Program (continued)**

**Participant Accounts** - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Borough's creditors until distributed as benefit payments, are not available for funding the operations of the Borough. The funds may also be used to pay the administrative fees charged by the Plan Administrator. Valic ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

**Vesting** - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

**Payment of Benefits** - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2017 payouts of \$1,429.21 were made to vested participants.

**Forfeited Accounts** - During the year ended December 31, 2017, no accounts were forfeited.

**Plan Information** - Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

**Note 18. Housing Trust Fund Mortgage**

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

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

**BOROUGH OF TINTON FALLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 19. Subsequent Events**

As discussed Note 1, the Borough has evaluated subsequent events through June 28, 2017, the date the financial statements were available to be issued. The following was noted:

Borough adopted a bond ordinance on May 15, 2018 to provide for various capital improvements and acquisitions, appropriating the sum of \$2,791,800, authorizing the issuance of \$2,340,000.00 bond and notes to finance a portion of the ordinance.

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**SUPPLEMENTARY SCHEDULES**

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**CURRENT FUND**

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**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|   |               | Current<br>Fund         | Grant<br>Fund        |
|---|---------------|-------------------------|----------------------|
| Balance, December 31, 2016                                  |               | \$ 14,393,378.55        | \$ 265,523.87        |
| Increased By Receipts:                                      |               |                         |                      |
| Non-Budget Revenues   | \$ 897,063.94 | \$ -                    |                      |
| Due From Fire/EMS/School - Fuel<br>and Veterans' Deductions | 104,237.67    | -                       |                      |
| Property Taxes Receivable                                   | 63,497,679.63 | -                       |                      |
| Revenue Accounts Receivable                                 | 7,618,121.44  | -                       |                      |
| Prepaid Taxes   | 2,480,538.14  | -                       |                      |
| Liquidation of Sewer Operating Interfund                    | -             | 3,225.36                |                      |
| Due To State  | 43,998.00     | -                       |                      |
| Grants Receivable   | -             | 90,999.22               |                      |
| Grants - Unappropriated                                     | -             | 71,782.68               |                      |
|   |               | <u>74,641,638.82</u>    | <u>166,007.26</u>    |
|   |               | 89,035,017.37           | 431,531.13           |
| Decreased By Disbursements:                                 |               |                         |                      |
| 2017 Budget Appropriations                                  | 22,473,785.50 | -                       |                      |
| 2016 Appropriation Reserves                                 | 358,860.61    | -                       |                      |
| County Taxes  | 9,431,588.02  | -                       |                      |
| Regional District School Taxes                              | 22,453,256.00 | -                       |                      |
| Regional District High School Taxes                         | 12,716,218.99 | -                       |                      |
| Municipal Open Space Tax                                    | 697,314.70    | -                       |                      |
| Special District Taxes                                      | 1,942,549.00  | -                       |                      |
| Overpayments  | 96,268.88     | -                       |                      |
| Due To State  | 42,689.00     | -                       |                      |
| Refund of Prior Year Revenue                                | 11,862.68     | -                       |                      |
| Grants - Appropriated                                       | -             | 45,225.91               |                      |
|   |               | <u>70,224,393.38</u>    | <u>45,225.91</u>     |
| Balance, December 31, 2017                                  |               | <u>\$ 18,810,623.99</u> | <u>\$ 386,305.22</u> |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CHANGE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                          | Balance<br>December 31,<br><u>2017 &amp; 2016</u> |
|--------------------------|---|
| Clerk of Municipal Court | \$ 700.00   |
| Municipal Clerk          | 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, 2017**

|   |              |                           |
|---|--------------|---------------------------|
| Balance, December 31, 2016                |              | \$ 1,567.91               |
| Increased By:                             |              |                           |
| Senior Citizens' Deductions per           |              |                           |
| Tax Duplicate                             | \$ 19,750.00 |                           |
| Veterans' Deductions per Tax Duplicate    | 90,000.00    |                           |
| Senior Citizens' and Veterans' Deductions |              |                           |
| Allowed By Tax Collector                  | 2,750.00     |                           |
|   |              | <u>112,500.00</u>         |
| Decreased By:                             |              | 114,067.91                |
| Cash Received From State of New Jersey    | 104,237.67   |                           |
| Senior Citizens' Disallowed               | 5,762.33     |                           |
| Senior Citizens' Disallowed - Prior Years | 2,250.00     |                           |
|   |              | <u>112,250.00</u>         |
| Balance, December 31, 2017                |              | <u><u>\$ 1,817.91</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, 2017**

|      | Balance<br>December 31,<br>2016 | 2017<br>Levy            | <u>Collections</u>   |                         | Due From/(To)<br>State of<br>New Jersey | Transferred<br>To Tax<br>Title Liens | <u>Cancellations</u> | Balance<br>December 31,<br>2017 |
|------|---------------------------------|-------------------------|----------------------|-------------------------|---|--------------------------------------|----------------------|---------------------------------|
|      |                                 |                         | 2016                 | 2017                    |   |                                      |                      |                                 |
| 2014 | \$ -                            | \$ -                    | \$ -                 | \$ 1,250.00             | \$ (1,250.00)                           | \$ -                                 | \$ -                 | \$ -                            |
| 2015 | -                               | -                       | -                    | 1,750.00                | (1,750.00)                              | -                                    | -                    | -                               |
| 2016 | 932,448.00                      |                         |                      | 929,938.54              | (2,762.33)                              | 5,271.79                             | -                    | -                               |
| 2017 | -                               | 63,548,857.94           | 342,491.76           | 62,456,724.09           | 110,250.00                              | 22,929.86                            | 40,707.68            | 575,754.55                      |
|      | <u>\$ 932,448.00</u>            | <u>\$ 63,548,857.94</u> | <u>\$ 342,491.76</u> | <u>\$ 63,389,662.63</u> | <u>\$ 104,487.67</u>                    | <u>\$ 28,201.65</u>                  | <u>\$ 40,707.68</u>  | <u>\$ 575,754.55</u>            |

Analysis of Property Tax Levy

|   |                                |
|---|--------------------------------|
| <b>Tax Yield</b>                              |                                |
| General Purpose Tax                           | \$ 60,589,671.24               |
| Special District Taxes                        | 1,953,352.46                   |
| Added/Omitted Taxes (R.S. 54-4-63, 1 et seq.) | <u>1,005,834.24</u>            |
|   | <u><u>\$ 63,548,857.94</u></u> |

|  |                   |
|--|-------------------|
| <b>Tax Levy</b>                        |                   |
| Regional District School Tax           | \$ 22,791,555.00  |
| Regional District High School Tax      | 12,688,338.00     |
| County Taxes:                          |                   |
| County Tax                             | \$ 8,159,164.70   |
| County Library Tax                     | 571,727.26        |
| County Open Space Tax                  | 479,325.67        |
| Due County for Added and Omitted Taxes | <u>149,861.54</u> |
|  | 9,360,079.17      |

|                                      |                  |
|--------------------------------------|------------------|
| Municipal Open Space Tax             | 686,093.00       |
| Municipal Open Space Tax Added Taxes | <u>11,221.70</u> |
|                                      | 697,314.70       |

|                      |                     |
|----------------------|---------------------|
| Fire Districts Taxes | <u>1,942,549.00</u> |
|                      | \$ 47,479,835.87    |

|                                  |                                |
|----------------------------------|--------------------------------|
| Local Tax for Municipal Purposes | 15,196,680.96                  |
| Add: Additional Tax Levied       | <u>872,341.11</u>              |
|                                  | <u>16,069,022.07</u>           |
|                                  | <u><u>\$ 63,548,857.94</u></u> |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                 |                  |                             |
|---------------------------------|------------------|-----------------------------|
| Balance, December 31, 2016      |                  | \$ 74,898.21                |
| Increased By:                   |                  |                             |
| Interest and Costs at Tax Sale  | \$ 588.79        |                             |
| Transfers From Taxes Receivable | <u>28,201.65</u> |                             |
|                                 |                  | <u>28,790.44</u>            |
|                                 |                  | 103,688.65                  |
| Decreased By:                   |                  |                             |
| Cash Receipts                   |                  | <u>2,232.81</u>             |
| Balance, December 31, 2017      |                  | <u><u>\$ 101,455.84</u></u> |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DEBRIS LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                            |                            |
|----------------------------|----------------------------|
| Balance, December 31, 2016 | \$ -                       |
| Increased By:              |                            |
| Liens Levied               | <u>10,340.51</u>           |
| Balance, December 31, 2017 | <u><u>\$ 10,340.51</u></u> |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | Balance<br>December 31,<br><u>2016</u> | Accrued in<br><u>2017</u> | <u>Collections</u>     | Balance<br>December 31,<br><u>2017</u> |
|--|--|---------------------------|------------------------|--|
| Miscellaneous Revenues:                                  |  |                           |                        |  |
| Licenses:  |  |                           |                        |  |
| Alcoholic Beverages                                      | \$ -                                   | \$ 37,680.00              | \$ 37,680.00           | \$ -                                   |
| Other  | -                                      | 32,984.00                 | 32,984.00              | -                                      |
| Fees and Permits   | -                                      | 375,733.42                | 375,733.42             | -                                      |
| Fines and Costs:   |  |                           |                        |  |
| Municipal Court  | 32,562.93                              | 469,189.76                | 466,656.20             | 35,096.49                              |
| Interest and Costs on Taxes                              | -                                      | 151,932.80                | 151,932.80             | -                                      |
| Interest on Investments and Deposits                     | -                                      | 136,502.84                | 136,502.84             | -                                      |
| Commercial Garbage Fees                                  | -                                      | 70,252.00                 | 70,252.00              | -                                      |
| Consolidated Municipal Property Tax Relief Aid           |  | -                         | -                      |  |
| Energy Receipts Tax                                      | -                                      | 1,490,459.00              | 1,490,459.00           | -                                      |
| Uniform Construction Code Fees                           | -                                      | 545,281.00                | 545,281.00             | -                                      |
| Host Municipalities Act                                  | -                                      | 2,467,134.08              | 2,467,134.08           | -                                      |
| Franchise Fees   | -                                      | 296,918.00                | 296,918.00             | -                                      |
| Open Space Trust:  |  |                           |                        |  |
| Interest on Notes  | -                                      | 6,632.00                  | 6,632.00               | -                                      |
| Bond Principal   | -                                      | 83,761.00                 | 83,761.00              | -                                      |
| Interest on Bonds  | -                                      | 48,618.00                 | 48,618.00              | -                                      |
| Hotel Occupancy Tax                                      | -                                      | 406,836.49                | 406,836.49             | -                                      |
| Capital Surplus  | -                                      | 506,253.33                | 506,253.33             | -                                      |
| Piolet CommVault   | -                                      | 229,227.40                | 229,227.40             | -                                      |
| Municipal Court Services -<br>Monmouth Beach & Eatontown | -                                      | 265,259.88                | 265,259.88             | -                                      |
|  | <u>\$ 32,562.93</u>                    | <u>\$ 7,620,655.00</u>    | <u>\$ 7,618,121.44</u> | <u>\$ 35,096.49</u>                    |

**BOROUGH OF TINTON FALLS**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF DUE TO STATE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                   | Balance<br>December 31,<br><u>2016</u> | Cash<br><u>Receipts</u> | Cash<br><u>Disbursements</u> | Balance<br>December 31,<br><u>2017</u> |
|-------------------|--|-------------------------|------------------------------|--|
| Marriage Licenses | \$ 325.00                              | \$ 3,000.00             | \$ 2,700.00                  | \$ 625.00                              |
| DCA Training Fees | 7,311.00                               | 40,998.00               | 39,989.00                    | 8,320.00                               |
|                   | <u>\$ 7,636.00</u>                     | <u>\$ 43,998.00</u>     | <u>\$ 42,689.00</u>          | <u>\$ 8,945.00</u>                     |



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                     | Balance,<br>December 31,<br>2016 | Balance<br>After<br>Modifications | Paid<br>or<br>Charged | Lapsed    |
|-------------------------------------|----------------------------------|-----------------------------------|-----------------------|-----------|
| <u>GENERAL APPROPRIATIONS</u>       |                                  |                                   |                       |           |
| Borough Council:                    |                                  |                                   |                       |           |
| Salaries and Wages                  | \$ 250.75                        | \$ 250.75                         | \$ -                  | \$ 250.75 |
| Other Expenses                      | 5,711.02                         | 5,711.02                          | -                     | 5,711.02  |
| Office of the Mayor:                |                                  |                                   |                       |           |
| Salaries and Wages                  | 0.79                             | 0.79                              | -                     | 0.79      |
| Other Expenses                      | 4,408.64                         | 4,408.64                          | -                     | 4,408.64  |
| Municipal Clerk:                    |                                  |                                   |                       |           |
| Salaries and Wages                  | 2,520.94                         | 2,520.94                          | -                     | 2,520.94  |
| Other Expenses                      | 33,424.82                        | 33,424.82                         | 4,211.70              | 29,213.12 |
| Office of the Tax Assessor:         |                                  |                                   |                       |           |
| Salaries and Wages                  | 20,068.95                        | 20,068.95                         | -                     | 20,068.95 |
| Other Expenses                      | 20,051.15                        | 20,051.15                         | 8,174.45              | 11,876.70 |
| Division of Administration:         |                                  |                                   |                       |           |
| Salaries and Wages                  | 4,400.20                         | 4,400.20                          | -                     | 4,400.20  |
| Other Expenses                      | 12,371.84                        | 12,371.84                         | 10,930.30             | 1,441.54  |
| Human Resources:                    |                                  |                                   |                       |           |
| Salaries and Wages                  | 162.94                           | 162.94                            | -                     | 162.94    |
| Other Expenses                      | 1,212.98                         | 1,212.98                          | 73.25                 | 1,139.73  |
| Division of Central Services:       |                                  |                                   |                       |           |
| Salaries and Wages                  | 2,500.49                         | 2,500.49                          | -                     | 2,500.49  |
| Miscellaneous Other Expenses        | 5,866.44                         | 5,866.44                          | 920.07                | 4,946.37  |
| Division of Engineering:            |                                  |                                   |                       |           |
| Other Expenses                      | 21,851.86                        | 21,851.86                         | 7,923.00              | 13,928.86 |
| Historical Sites Office:            |                                  |                                   |                       |           |
| Other Expenses                      | 107.65                           | 107.65                            | -                     | 107.65    |
| Division of Law:                    |                                  |                                   |                       |           |
| Salaries and Wages                  | 55.67                            | 55.67                             | -                     | 55.67     |
| Other Expenses                      | 84,320.72                        | 84,320.72                         | 5,499.87              | 78,820.85 |
| Division of Central Maintenance:    |                                  |                                   |                       |           |
| Salaries and Wages                  | 77,809.98                        | 77,809.98                         | 250.05                | 77,559.93 |
| Other Expenses                      | 64,305.35                        | 64,305.35                         | 50,958.45             | 13,346.90 |
| Division of Streets:                |                                  |                                   |                       |           |
| Salaries and Wages                  | 13,353.55                        | 13,353.55                         | -                     | 13,353.55 |
| Other Expenses                      | 125,406.77                       | 125,406.77                        | 59,486.14             | 65,920.63 |
| Division of Sanitation:             |                                  |                                   |                       |           |
| Salaries and Wages                  | 59,326.99                        | 59,326.99                         | 108.44                | 59,218.55 |
| Other Expenses:                     |                                  |                                   |                       |           |
| Landfill/Solid Waste Disposal Costs | 13,070.73                        | 13,070.73                         | 4,383.04              | 8,687.69  |
| Miscellaneous Other Expenses        | 12,962.17                        | 12,962.17                         | 7,342.55              | 5,619.62  |
| Division of Buildings and Grounds:  |                                  |                                   |                       |           |
| Salaries and Wages                  | 21,167.10                        | 21,167.10                         | -                     | 21,167.10 |
| Other Expenses                      | 23,963.42                        | 23,963.42                         | 12,438.21             | 11,525.21 |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | Balance,<br>December 31,<br><u>2016</u> | Balance<br>After<br><u>Modifications</u> | Paid<br>or<br><u>Charged</u> | <u>Lapsed</u> |
|--|---|--|------------------------------|---------------|
| Maintenance of Parks:                    |   |  |                              |               |
| Salaries and Wages                       | 21,465.37                               | 21,465.37                                | 277.38                       | 21,187.99     |
| Other Expenses                           | 8,864.37                                | 8,864.37                                 | 4,987.40                     | 3,876.97      |
| Shade Tree:                              |   |  |                              |               |
| Other Expenses                           | 1,280.00                                | 1,280.00                                 | -                            | 1,280.00      |
| Community Services Act:                  |   |  |                              |               |
| Other Expenses                           | 765.00                                  | 765.00                                   | -                            | 765.00        |
| Police:                                  |   |  |                              |               |
| Salaries and Wages                       | 109,919.34                              | 104,919.34                               | 4,343.45                     | 100,575.89    |
| Other Expenses                           | 22,826.81                               | 27,826.81                                | 22,043.13                    | 5,783.68      |
| Division of Emergency Management:        |   |  |                              |               |
| Salaries and Wages                       | 1,644.79                                | 1,644.79                                 | -                            | 1,644.79      |
| Other Expenses                           | 12,595.05                               | 12,595.05                                | 12,026.46                    | 568.59        |
| Municipal Prosecutor:                    |   |  |                              |               |
| Salaries and Wages                       | 4.93                                    | 4.93                                     | -                            | 4.93          |
| Other Expenses                           | 4,000.00                                | 4,000.00                                 | -                            | 4,000.00      |
| Division of Finance:                     |   |  |                              |               |
| Salaries and Wages                       | 9,327.63                                | 9,327.63                                 | 402.21                       | 8,925.42      |
| Other Expenses:                          |   |  |                              |               |
| Auditing Services                        | 29,000.00                               | 29,000.00                                | 29,000.00                    | -             |
| Miscellaneous Other Expenses             | 860.70                                  | 860.70                                   | -                            | 860.70        |
| Division of Revenue:                     |   |  |                              |               |
| Salaries and Wages                       | 706.05                                  | 706.05                                   | -                            | 706.05        |
| Other Expenses                           | 2,745.54                                | 2,745.54                                 | 970.53                       | 1,775.01      |
| Division of Health:                      |   |  |                              |               |
| Other Expenses:                          |   |  |                              |               |
| Miscellaneous Other Expenses             | 379.00                                  | 379.00                                   | -                            | 379.00        |
| Environmental Health Services:           |   |  |                              |               |
| Other Expenses                           | 3,740.00                                | 3,740.00                                 | -                            | 3,740.00      |
| Contribution To Social Service Agencies: |   |  |                              |               |
| Other Expenses                           | 3,205.00                                | 3,205.00                                 | 1,860.00                     | 1,345.00      |
| Alliance Program:                        |   |  |                              |               |
| Other Expenses                           | 500.10                                  | 500.10                                   | -                            | 500.10        |
| Division of Recreation:                  |   |  |                              |               |
| Salaries and Wages                       | 17,283.13                               | 17,283.13                                | -                            | 17,283.13     |
| Other Expenses                           | 51,858.51                               | 51,858.51                                | 12,830.20                    | 39,028.31     |
| Division of Housing:                     |   |  |                              |               |
| Other Expenses                           | 27,848.00                               | 27,848.00                                | 1,778.35                     | 26,069.65     |
| Division of Planning:                    |   |  |                              |               |
| Salaries and Wages                       | 11,101.50                               | 11,101.50                                | -                            | 11,101.50     |
| Other Expenses                           | 25,792.34                               | 25,792.34                                | 1,378.00                     | 24,414.34     |
| Division of Zoning:                      |   |  |                              |               |
| Salaries and Wages                       | 9,052.84                                | 9,052.84                                 | -                            | 9,052.84      |
| Other Expenses                           | 18,462.24                               | 18,462.24                                | 165.19                       | 18,297.05     |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | Balance,<br>December 31,<br>2016 | Balance<br>After<br>Modifications | Paid<br>or<br>Charged | Lapsed    |
|--|----------------------------------|-----------------------------------|-----------------------|-----------|
| Division of Code Enforcement:                            |                                  |                                   |                       |           |
| Salaries and Wages                                       | 8,846.94                         | 8,846.94                          | -                     | 8,846.94  |
| Other Expenses   | 977.86                           | 977.86                            | 83.07                 | 894.79    |
| Division of Fire Prevention:                             |                                  |                                   |                       |           |
| Salaries and Wages                                       | 18,887.60                        | 18,887.60                         | -                     | 18,887.60 |
| Other Expenses   | 3,287.74                         | 3,287.74                          | 1,321.10              | 1,966.64  |
| Municipal Court:   |                                  |                                   |                       |           |
| Salaries and Wages                                       | 29,634.10                        | 29,634.10                         | -                     | 29,634.10 |
| Other Expenses   | 9,231.47                         | 9,231.47                          | 3,564.89              | 5,666.58  |
| Public Employees Occupational Safety and Health Act:     |                                  |                                   |                       |           |
| Other Expenses   | 3,150.00                         | 3,150.00                          | 175.00                | 2,975.00  |
| Public Defender  |                                  |                                   |                       |           |
| Salaries and Wages                                       | 10,004.90                        | 10,004.90                         | -                     | 10,004.90 |
| Other Expenses   | 800.00                           | 800.00                            | -                     | 800.00    |
| <br><u>UNIFORM CONSTRUCTION CODE APPROPRIATIONS</u>      |                                  |                                   |                       |           |
| <u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u> |                                  |                                   |                       |           |
| State Uniform Construction Code:                         |                                  |                                   |                       |           |
| Salaries & Wages   | 49,153.14                        | 49,153.14                         | -                     | 49,153.14 |
| Other Expenses   | 3,065.59                         | 3,065.59                          | 529.78                | 2,535.81  |
| <br><u>UNCLASSIFIED</u>                                  |                                  |                                   |                       |           |
| Electricity  | 17,412.68                        | 17,412.68                         | 17,334.11             | 78.57     |
| Street Lighting  | 23,031.83                        | 23,031.83                         | -                     | 23,031.83 |
| Telephone  | 22,027.77                        | 22,027.77                         | -                     | 22,027.77 |
| Water  | 4,122.66                         | 4,122.66                          | 1,002.69              | 3,119.97  |
| Gas  | 15,962.37                        | 15,962.37                         | 1,067.08              | 14,895.29 |
| Fuel Oil   | 75,004.00                        | 75,004.00                         | 20,601.66             | 54,402.34 |
| Telecommunications                                       | 19,784.17                        | 19,784.17                         | 6,592.49              | 13,191.68 |
| <br><u>STATUTORY EXPENDITURES:</u>                       |                                  |                                   |                       |           |
| Contribution To:   |                                  |                                   |                       |           |
| Public Employee Retirement System                        | -                                | -                                 | -                     | -         |
| Police & Firemen's Retirement System                     | -                                | -                                 | -                     | -         |
| Social Security System (O.A.S.I.)                        | 63,687.51                        | 63,687.51                         | 411.69                | 63,275.82 |
| Defined Contribution Retirement Program                  | 2,722.65                         | 2,722.65                          | -                     | 2,722.65  |
| Group Insurance  | 65,302.23                        | 65,302.23                         | -                     | 65,302.23 |
| LOSAP - Volunteer Ambulance                              | 50,100.00                        | 50,100.00                         | 37,642.54             | 12,457.46 |
| 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   | 5,614.81                         | 5,614.81                          | 1,293.51              | 4,321.30  |
| Recycling Tax  | 1,046.34                         | 1,046.34                          | 149.67                | 896.67    |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | Balance,<br>December 31,<br><u>2016</u> | Balance<br>After<br><u>Modifications</u> | Paid<br>or<br><u>Charged</u> | <u>Lapsed</u>   |
|--|---|--|------------------------------|-----------------|
| <u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u> |   |  |                              |                 |
| County of Monmouth:                            |   |  |                              |                 |
| Police Dispatching Services                    | 0.70                                    | 0.70                                     | -                            | 0.70            |
| Municipal Court - Monmouth Beach & Eatontown   | 13,654.75                               | 13,654.75                                | 21.75                        | 13,633.00       |
| Purchase of Automated Refuse Containers        | 1,512.20                                | 1,512.20                                 |                              | 1,512.20        |
| Improvements to Library                        | 14,753.35                               | 14,753.35                                | 2,307.76                     | 12,445.59       |
|  | <hr/>                                   |  |                              |                 |
| Total General Appropriations                   | \$ 1,558,661.58                         | \$ 1,558,661.58                          | \$ 358,860.61                | \$ 1,199,800.97 |
|  | <hr/>                                   |  |                              |                 |
| Appropriation Reserves                         | \$ 1,141,522.31                         |  |                              |                 |
| Encumbrances Payable                           | 417,139.27                              |  |                              |                 |
|  | <hr/>                                   |  |                              |                 |
|  | \$ 1,558,661.58                         |  |                              |                 |
|  | <hr/>                                   |  |                              |                 |
| Cash Disbursed                                 |   |  | \$ 358,860.61                |                 |
|  |   |  | <hr/>                        |                 |
|  |   |  | \$ 358,860.61                |                 |
|  |   |  | <hr/>                        |                 |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 and 2016

\$ 118,539.02

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|  |                   |                             |
|--|-------------------|-----------------------------|
| Balance, December 31, 2016             |                   | \$ 221,370.39               |
| Increased By:                          |                   |                             |
| 2017 Tax Levy:                         |                   |                             |
| County Tax                             | \$ 8,159,164.70   |                             |
| County Library Tax                     | 571,727.26        |                             |
| County Open Space Fund Tax             | 479,325.67        |                             |
| Due County for Added and Omitted Taxes | <u>149,861.54</u> |                             |
|  |                   | <u>9,360,079.17</u>         |
|  |                   | 9,581,449.56                |
| Decreased By:                          |                   |                             |
| Cash Disbursements                     |                   | <u>9,431,588.02</u>         |
| Balance, December 31, 2017             |                   | <u><u>\$ 149,861.54</u></u> |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                            |                 |                               |
|----------------------------|-----------------|-------------------------------|
| Balance, December 31, 2016 |                 | \$ 342,491.76                 |
| Increased By:              |                 |                               |
| Collection of 2018 Taxes   |                 | <u>2,480,538.14</u>           |
|                            |                 | 2,823,029.90                  |
| Decreased By:              |                 |                               |
| Applied To 2017 Taxes      | 342,491.76      |                               |
| Cash Disbursed             | <u>4,020.51</u> |                               |
|                            |                 | <u>346,512.27</u>             |
| Balance, December 31, 2017 |                 | <u><u>\$ 2,476,517.63</u></u> |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                            |                            |
|----------------------------|----------------------------|
| Balance, December 31, 2016 | \$ 12,359.47               |
| Increased By:              |                            |
| 2017 Tax Overpayments      | <u>108,017.00</u>          |
|                            | 120,376.47                 |
| Decreased By:              |                            |
| Tax Overpayments Refunded  | <u>96,268.88</u>           |
| Balance, December 31, 2017 | <u><u>\$ 24,107.59</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, 2017**

|  |                      |                         |
|--|----------------------|-------------------------|
| Balance, December 31, 2016                             |                      |                         |
| School Tax Payable                                     | \$ 2,731,381.77      |                         |
| School Tax Deferred                                    | <u>8,549,999.23</u>  |                         |
|  |                      | \$ 11,281,381.00        |
| Increased By:  |                      |                         |
| Levy - School Year July 1, 2017<br>to June 30, 2018    |                      | <u>22,791,555.00</u>    |
|  |                      | 34,072,936.00           |
| Decreased By:  |                      |                         |
| Cash Disbursed   |                      | <u>22,453,256.00</u>    |
| Balance, December 31, 2017                             |                      |                         |
| School Tax Payable                                     | 3,069,680.77         |                         |
| School Tax Deferred                                    | <u>8,549,999.23</u>  |                         |
|  |                      | <u>\$ 11,619,680.00</u> |
| <u>2017 Liability for Regional District School Tax</u> |                      |                         |
| Tax Payable, December 31, 2017                         | \$ 3,069,680.77      |                         |
| Tax Paid   | <u>22,453,256.00</u> |                         |
|  |                      | 25,522,936.77           |
| Less:  |                      |                         |
| Tax Payable, December 31, 2016                         |                      | <u>2,731,381.77</u>     |
| Amount Charged To 2017 Operations                      |                      | <u>\$ 22,791,555.00</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, 2017**

|   |                      |                         |
|---|----------------------|-------------------------|
| Balance, December 31, 2016                                  |                      |                         |
| School Tax Payable  | \$ 4,101,818.46      |                         |
| School Tax Deferred   | <u>2,270,231.55</u>  |                         |
|   |                      | \$ 6,372,050.01         |
| Increased By:   |                      |                         |
| Levy - School Year July 1, 2017<br>to June 30, 2018         |                      | <u>12,688,338.00</u>    |
|   |                      | 19,060,388.01           |
| Decreased By:   |                      |                         |
| Cash Disbursed  |                      | <u>12,716,218.99</u>    |
| Balance, December 31, 2017                                  |                      |                         |
| School Tax Payable  | \$ 4,073,937.47      |                         |
| School Tax Deferred   | <u>2,270,231.55</u>  |                         |
|   |                      | <u>\$ 6,344,169.02</u>  |
| <u>2017 Liability for Regional District High School Tax</u> |                      |                         |
| Tax Payable, December 31, 2017                              | \$ 4,073,937.47      |                         |
| Tax Paid  | <u>12,716,218.99</u> |                         |
|   |                      | 16,790,156.46           |
| Less:   |                      |                         |
| Tax Payable, December 31, 2016                              |                      | <u>4,101,818.46</u>     |
| Amount Charged To 2017 Operations                           |                      | <u>\$ 12,688,338.00</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, 2017**

|                            |                  |    |                   |
|----------------------------|------------------|----|-------------------|
| Balance, December 31, 2016 |                  | \$ | -                 |
| Increased By:              |                  |    |                   |
| 2017 Levy                  | \$ 686,093.00    |    |                   |
| Added & Omitted Taxes      | <u>11,221.70</u> |    |                   |
|                            |                  |    | <u>697,314.70</u> |
|                            |                  |    | 697,314.70        |
| Decreased By:              |                  |    |                   |
| Cash Disbursements         |                  |    | <u>697,314.70</u> |
| Balance, December 31, 2017 |                  | \$ | <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, 2017**

|                            |    |                   |                     |
|----------------------------|----|-------------------|---------------------|
| Balance, December 31, 2016 |    | \$                | -                   |
| Increased By:              |    |                   |                     |
| Fire District #1 Levy      | \$ | 1,103,269.00      |                     |
| Fire District #2 Levy      |    | <u>839,280.00</u> |                     |
|                            |    |                   | <u>1,942,549.00</u> |
|                            |    |                   | 1,942,549.00        |
| Decreased By:              |    |                   |                     |
| Cash Disbursements         |    |                   | <u>1,942,549.00</u> |
| Balance, December 31, 2017 |    | <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, 2017**

|   | Balance<br>December 31,<br><u>2016</u> | Budget<br>Revenue<br><u>Realized</u> | Cash<br><u>Receipts</u> | Transferred<br>From<br>Grants<br><u>Unappropriated</u> | <u>Cancelled</u> | Balance<br>December 31,<br><u>2017</u> |
|---|--|--------------------------------------|-------------------------|--|------------------|--|
| Recycling Tonnage Grant                 | \$ -                                   | \$ 47,925.49                         | \$ 47,925.49            | \$ -   | \$ -             | \$ -                                   |
| Alcohol Education & Rehabilitation Fund | -                                      | 1,994.24                             | -                       | 1,994.24   | -                | -                                      |
| Body Armor Replacement Fund             | -                                      | 3,788.14                             | -                       | 3,788.14   | -                | -                                      |
| Clean Communities Program               | -                                      | 43,073.73                            | 43,073.73               | -  | -                | -                                      |
| NJ DEP Forestry - No Net Loss Grant     | 288,900.00                             | -                                    | -                       | -  | 288,900.00       | -                                      |
| NJ DEP Green Communities                | 3,000.00                               | -                                    | -                       | -  | 3,000.00         | -                                      |
|   | <hr/>                                  |                                      |                         |  |                  |  |
|   | \$ 291,900.00                          | \$ 96,781.60                         | \$ 90,999.22            | \$ 5,782.38  | \$ 291,900.00    | \$ -                                   |
|   | <hr/>                                  |                                      |                         |  |                  |  |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | Balance<br>December 31,<br>2016 | Transferred<br>From 2017<br>Budgets | Transferred<br>From<br>Encumbrances<br>Payable | Paid<br>or<br>Charged | Transferred<br>To<br>Encumbrances<br>Payable | Cancelled            | Balance<br>December 31,<br>2017 |
|--|---------------------------------|-------------------------------------|--|-----------------------|--|----------------------|---------------------------------|
| Local:                                     |                                 |                                     |  |                       |  |                      |                                 |
| 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                        |
| State:                                     |                                 |                                     |  |                       |  |                      |                                 |
| Municipal Stormwater                       | 1,313.97                        | -                                   | -  | -                     | -  | -                    | 1,313.97                        |
| Alcohol Education Rehabilitation Fund      | 8,262.44                        | 1,994.24                            | -  | 6,250.00              | -  | -                    | 4,006.68                        |
| Body Armor Replacement Fund                | -                               | 3,788.14                            | -  | 1,809.30              | 1,809.30                                     | -                    | 169.54                          |
| Clean Communities Program - 2015           | -                               | -                                   | 923.85   | 923.85                | -  | -                    | -                               |
| Clean Communities Program - 2016           | 28,165.79                       | -                                   | 12,767.88                                      | 27,653.39             | 13,280.28                                    | -                    | -                               |
| Clean Communities Program - 2017           | -                               | 43,073.73                           | -  | 5,089.37              | 7,093.84                                     | -                    | 30,890.52                       |
| Drunk Driving Enforcement Grant            | 10,266.69                       | -                                   | -  | 3,500.00              | -  | -                    | 6,766.69                        |
| Recycling Tonnage Grant                    | 194,174.95                      | 47,925.49                           | -  | -                     | 161,315.19                                   | -                    | 80,785.25                       |
| 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>\$ 538,175.12</u>            | <u>\$ 96,781.60</u>                 | <u>\$ 16,691.73</u>                            | <u>\$ 45,225.91</u>   | <u>\$ 183,498.61</u>                         | <u>\$ 291,900.00</u> | <u>\$ 131,023.93</u>            |
| Budget Appropriation                       | \$ 96,781.60                    | \$ -                                |  | -                     |  |                      |                                 |
| Cash Disbursements                         | <u>-</u>                        | <u>45,225.91</u>                    |  |                       |  |                      |                                 |
|  | <u>\$ 96,781.60</u>             | <u>45,225.91</u>                    |  |                       |  |                      |                                 |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | Balance<br>December 31,<br><u>2016</u> | Cash<br><u>Received</u> | Transferred<br>To Grants<br><u>Receivable</u> | Balance<br>December 31,<br><u>2017</u> |
|--|--|-------------------------|---|--|
| Body Armor Replacement Fund  | \$ 3,788.14                            | \$ 3,874.49             | \$ 3,788.14                                   | \$ 3,874.49                            |
| Recycling Tonnage Grant  | -                                      | 67,908.19               | -   | 67,908.19                              |
| Municipal Court Alcohol Education and<br>Rehabilitation Enforcement Fund | 1,994.24                               | -                       | 1,994.24                                      | -                                      |
|  | <hr/>                                  |                         |   |  |
|  | \$ 5,782.38                            | \$ 71,782.68            | \$ 5,782.38                                   | \$ 71,782.68                           |
|  | <hr/>                                  |                         |   |  |

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**TRUST FUND**

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**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                    | <u>Animal Control</u><br><u>Trust Fund</u> | <u>Open Space</u><br><u>Trust Fund</u> | <u>Other</u><br><u>Trust Funds</u> |
|------------------------------------|--|--|------------------------------------|
| Balance, December 31, 2016         | \$ 7,357.23                                | \$ 527,972.28                          | \$ 4,443,748.26                    |
| Increased By Receipts:             |  |  |                                    |
| Due To State of New Jersey         | 1,313.80                                   | -                                      | -                                  |
| Dog License Fees                   | 8,002.40                                   | -                                      | -                                  |
| Transfer from Budget Appropriation | 24,000.00                                  | -                                      | -                                  |
| Change Fund                        | 30.00                                      |  |                                    |
| Reserve for Open Space             | -  | 1,820,529.75                           | -                                  |
| Off Duty Police Receivable         | -  | -                                      | 2,027.75                           |
| Miscellaneous Trust Funds          | -  | -                                      | 4,188,977.31                       |
|                                    | <u>33,346.20</u>                           | <u>1,820,529.75</u>                    | <u>4,191,005.06</u>                |
|                                    | <u>40,703.43</u>                           | <u>2,348,502.03</u>                    | <u>8,634,753.32</u>                |
| Decreased By Disbursements:        |  |  |                                    |
| N.J. State Department of Health    | 1,311.40                                   | -                                      | -                                  |
| Expenditures per R.S. 4:19-15.11   | 30,980.00                                  | -                                      | -                                  |
| Reserve for Open Space             | -  | 735,874.52                             | -                                  |
| Off Duty Police Receivable         | -  | -                                      | -                                  |
| Encumbrances Payable               | -  | -                                      | -                                  |
| Miscellaneous Trust Funds          | -  | -                                      | 2,868,050.70                       |
|                                    | <u>32,291.40</u>                           | <u>735,874.52</u>                      | <u>2,868,050.70</u>                |
| Balance, December 31, 2017         | <u>\$ 8,412.03</u>                         | <u>\$ 1,612,627.51</u>                 | <u>\$ 5,766,702.62</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, 2017**

|                            |                    |
|----------------------------|--------------------|
| Balance, December 31, 2016 | \$ 2,027.75        |
| Decreased By:              |                    |
| Cash Received              | <u>2,027.75</u>    |
| Balance, December 31, 2017 | <u><u>\$ -</u></u> |

**BOROUGH OF TINTON FALLS**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**ANIMAL CONTROL TRUST FUND**  
**SCHEDULE OF DUE TO/(FROM) NEW JERSEY STATE DEPARTMENT OF HEALTH**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                   |                       |
|-----------------------------------|-----------------------|
| Balance, December 31, 2016        | \$ 1.20               |
| Increased By:                     |                       |
| State Registration Fees Collected | <u>1,313.80</u>       |
|                                   | 1,315.00              |
| Decreased By:                     |                       |
| Disbursed To State                | <u>1,311.40</u>       |
| Balance, December 31, 2017        | <u><u>\$ 3.60</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, 2017**

|  |    |                  |                  |
|--|----|------------------|------------------|
| Balance, December 31, 2016                   |    | \$               | 7,386.03         |
| Increased By:                                |    |                  |                  |
| License Fees Collected - 2017                | \$ | 8,002.40         |                  |
| Animal Appropriation Control Balance         |    | <u>24,000.00</u> |                  |
|  |    |                  | <u>32,002.40</u> |
|  |    |                  | 39,388.43        |
| Decreased By:                                |    |                  |                  |
| Expenditures Per R.S. 4:19-15.11             |    | <u>30,980.00</u> |                  |
| Balance, December 31, 2017                   |    | <u>\$</u>        | <u>8,408.43</u>  |
| Analysis fo Balance                          |    |                  |                  |
| Encumbrances Payable                         |    |                  | 2,654.00         |
| Reserve for Animal Control Fund Expenditures |    |                  | <u>5,754.43</u>  |
|  |    | <u>\$</u>        | <u>8,408.43</u>  |

License Fees Collected

|      |    |                  |
|------|----|------------------|
| 2016 | \$ | 7,280.80         |
| 2015 |    | <u>7,117.80</u>  |
|      | \$ | <u>14,398.60</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, 2017**

|  |                     |                             |
|--|---------------------|-----------------------------|
| Balance, December 31, 2016             |                     | \$ 415,209.08               |
| Increased By:                          |                     |                             |
| Cash Receipts:                         |                     |                             |
| Revenues Realized                      | \$ 702,273.70       |                             |
| Other Cash Receipts                    | 1,118,256.05        |                             |
| Transferred from Encumbrances Payable  | <u>112,763.20</u>   |                             |
|  |                     | <u>1,933,292.95</u>         |
|  |                     | 2,348,502.03                |
| Decreased By:                          |                     |                             |
| Cash Disbursed - Budget Appropriations | 735,874.52          |                             |
| Transferred to Encumbrances Payable    | <u>1,120,798.54</u> |                             |
|  |                     | <u>1,856,673.06</u>         |
| Balance, December 31, 2017             |                     | <u><u>\$ 491,828.97</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, 2017**

|                                    |                               |
|------------------------------------|-------------------------------|
| Balance, December 31, 2016         | \$ 112,763.20                 |
| Increased By:                      |                               |
| Transfers to Encumbrances Payable  | <u>1,120,798.54</u>           |
|                                    | 1,233,561.74                  |
| Decreased By:                      |                               |
| Transfer to Reserve for Open Space | <u>112,763.20</u>             |
| Balance, December 31, 2017         | <u><u>\$ 1,120,798.54</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, 2017**

|  | Balance<br>December 31,<br><u>2016</u> | Transferred<br>From<br>Encumbrances<br><u>Payable</u> | <u>Increased</u>       | <u>Decreased</u>       | Transferred<br>To<br>Encumbrances<br><u>Payable</u> | Balance<br>December 31,<br><u>2017</u> |
|--|--|---|------------------------|------------------------|---|--|
| Street Openings                                  | \$ 39,395.00                           | \$ -  | \$ 3,740.00            | \$ 39,145.00           | \$ -  | \$ 3,990.00                            |
| Professional Fees                                | 6,883.58                               | -   | -                      | -                      | -   | 6,883.58                               |
| Tax Sale Premiums                                | 287,900.00                             | -   | 121,200.00             | 141,300.00             | -   | 267,800.00                             |
| Detention Basin                                  | 242,815.21                             | 5,191.67  | -                      | 6,688.39               | -   | 241,318.49                             |
| Tax Title Liens                                  | 17,463.62                              | -   | 259,350.56             | 258,746.58             | 7.00  | 18,060.60                              |
| Unemployment                                     | 207,776.26                             | -   | 27,781.36              | 35,622.96              | -   | 199,934.66                             |
| Law Enforcement                                  | 39,537.06                              | 2,900.00  | 1,778.27               | 32,391.05              | 877.00  | 10,947.28                              |
| Off Duty   | -                                      | -   | 484,413.25             | 447,453.74             | -   | 36,959.51                              |
| Recycling  | 35,473.97                              | 344.47  | 104,471.34             | 25,671.87              | 12,781.67   | 101,836.24                             |
| Parking Offenses Adjudication Act                | 944.00                                 | -   | 46.00                  | -                      | -   | 990.00                                 |
| DARE Program                                     | 1,744.63                               | -   | -                      | -                      | -   | 1,744.63                               |
| Emergency Management                             | 1,855.71                               | -   | -                      | -                      | -   | 1,855.71                               |
| Public Defender                                  | 22,347.60                              | -   | 4,760.00               | -                      | -   | 27,107.60                              |
| Alcohol Alliance                                 | 1,520.85                               | -   | -                      | -                      | -   | 1,520.85                               |
| Recreation                                       | 11,596.27                              | -   | 2,873.30               | 1,200.00               | -   | 13,269.57                              |
| Police Forfeiture                                | 20,655.73                              | 1,806.60  | 14,470.41              | 15,951.27              | 916.00  | 20,065.47                              |
| Seabrook CCO and Fire Inspection                 | 71,196.00                              | -   | 14,000.00              | 11,500.00              | -   | 73,696.00                              |
| Uniform Fire Safety Penalty Funds                | 6,817.89                               | -   | 5,975.00               | -                      | -   | 12,792.89                              |
| Uniform Fire Safety Dedicated and Comp Penalties | 6,670.23                               | -   | 6,025.00               | -                      | -   | 12,695.23                              |
| Accumulated Absences                             | 42,367.69                              | -   | 100,000.00             | 26,116.48              | -   | 116,251.21                             |
| Volunteer Appreciation Day                       | 30.00                                  | -   | -                      | -                      | -   | 30.00                                  |
| Historic Crawford House                          | 200.00                                 | -   | -                      | -                      | -   | 200.00                                 |
| Community Day                                    | 50.10                                  | 335.38  | 21,300.00              | 19,367.37              | 650.00  | 1,668.11                               |
| Police Youth Program Donations                   | -                                      | -   | 1,655.00               | -                      | -   | 1,655.00                               |
| Insurance  | 187,778.46                             | 45,405.00   | 788,964.69             | 878,168.39             | 6,231.69  | 137,748.07                             |
| Health Fair Donations                            | 1,315.89                               | -   | -                      | 550.00                 | -   | 765.89                                 |
| Affordable Housing                               | 744,264.14                             | 27,073.64   | 158,346.41             | 138,087.30             | 11,640.36   | 779,956.53                             |
| Developers Escrow:                               |  |   |                        |                        |   |  |
| Engineering Fees                                 | 353,452.81                             | -   | 162,288.15             | 250,954.66             | -   | 264,786.30                             |
| Maintenance Fees                                 | 132,955.68                             | -   | 58,415.11              | 24,640.95              | -   | 166,729.84                             |
| Performance Fees                                 | 1,688,639.73                           | -   | 1,625,667.10           | 344,725.92             | -   | 2,969,580.91                           |
| Escrow Fees                                      | 183,331.31                             | 1,549.50  | 213,947.05             | 168,735.24             | 16,673.49   | 213,419.13                             |
| Shafto Rd. Sewer Line Extension                  | 3,157.27                               | -   | 8.49                   | -                      | -   | 3,165.76                               |
| COAH Special Master                              | 1,033.06                               | -   | 7,500.82               | 1,033.53               | -   | 7,500.35                               |
|  | <u>\$ 4,361,169.75</u>                 | <u>\$ 84,606.26</u>                                   | <u>\$ 4,188,977.31</u> | <u>\$ 2,868,050.70</u> | <u>\$ 49,777.21</u>                                 | <u>\$ 5,716,925.41</u>                 |

**BOROUGH OF TINTON FALLS**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")**  
**SCHEDULE OF MISCELLANEOUS RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                             |                  |                             |
|-----------------------------|------------------|-----------------------------|
| Balance, December 31, 2016  |                  | \$ 485,031.81               |
| Increased By:               |                  |                             |
| Borough Contributions       | \$ 37,642.54     |                             |
| Interest                    | 2,134.86         |                             |
| Appreciation on Investments | <u>76,796.64</u> |                             |
|                             |                  | <u>116,574.04</u>           |
|                             |                  | 601,605.85                  |
| Decreased By:               |                  |                             |
| Withdrawals                 |                  | <u>33,998.11</u>            |
| Balance, December 31, 2017  |                  | <u><u>\$ 567,607.74</u></u> |

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

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**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                            |                   |                               |
|----------------------------|-------------------|-------------------------------|
| Balance, December 31, 2016 |                   | \$ 2,621,904.83               |
| Increased By:              |                   |                               |
| Bond Anticipation Notes    | \$ 3,469,000.00   |                               |
| Capital Improvement Fund   | 50,000.00         |                               |
| Miscellaneous Reserves     | <u>13,099.20</u>  |                               |
|                            |                   | <u>3,532,099.20</u>           |
|                            |                   | 6,154,004.03                  |
| Decreased By:              |                   |                               |
| Bond Anticipation Notes    | 3,469,000.00      |                               |
| Improvement Authorizations | 1,015,144.93      |                               |
| Miscellaneous Reserves     | <u>506,253.33</u> |                               |
|                            |                   | <u>4,990,398.26</u>           |
| Balance, December 31, 2017 |                   | <u><u>\$ 1,163,605.77</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, 2017**

|                             |                                   | Balance<br>December 31,<br><u>2017</u> |
|-----------------------------|-----------------------------------|--|
| Encumbrances Payable        |                                   | \$ 70,088.00                           |
| DOT Grants Receivable       |                                   | (62,500.00)                            |
| Capital Improvement Fund    |                                   | 88,477.00                              |
| Miscellaneous Reserves      |                                   | 158,103.36                             |
| Fund Balance                |                                   | 1,257.24                               |
|                             |                                   |  |
| <u>Ordinance<br/>Number</u> | <u>Improvement Description</u>    |  |
| 06-1181                     | New Municipal Complex             | 73,664.83                              |
| 09-1286                     | Various Items of Equipment        | 22,326.49                              |
| 11-1325                     | Various Capital Improvements      | 72,677.76                              |
| 12-1345                     | 2012 Road Program                 | 6,595.37                               |
| 13-1370                     | 2014 Road Improvement Program     | 10,009.25                              |
| 14-1377                     | 2014 Various Capital Improvements | 327,899.65                             |
| 16-1399/16-1405             | Various Capital Improvements      | 395,006.82                             |
|                             |                                   | <hr/>                                  |
|                             |                                   | \$ 1,163,605.77                        |
|                             |                                   | <hr/>                                  |

**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, 2017**

|                            |                  |                                |
|----------------------------|------------------|--------------------------------|
| Balance, December 31, 2016 |                  | \$ 17,042,772.28               |
| Decreased By:              |                  |                                |
| Serial Bonds Paid          | \$ 1,595,000.00  |                                |
| Green Trust Loan Paid      | <u>22,772.28</u> |                                |
|                            |                  | <u>1,617,772.28</u>            |
| Balance, December 31, 2017 |                  | <u><u>\$ 15,425,000.00</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, 2017**

| <u>Ordinance<br/>Number</u> | <u>Improvement Description</u> | <u>Balance</u>               |                                | <u>Decreased by</u>                    |  | <u>Balance</u>               | <u>Analysis of Balance</u>             |
|-----------------------------|--------------------------------|------------------------------|--------------------------------|--|--|------------------------------|--|
|                             |                                | <u>December 31,<br/>2016</u> | <u>2017<br/>Authorizations</u> | <u>Principal<br/>Paid on<br/>Notes</u> |  | <u>December 31,<br/>2017</u> | <u>Bond<br/>Anticipation<br/>Notes</u> |
| 11-1329                     | Acquisition of Real Property   | \$ 2,295,000.00              | \$ -                           | \$ 450,000.00                          |  | \$ 1,845,000.00              | \$ 1,845,000.00                        |
| 16-1399/16-1405             | Various Capital Improvements   | 1,624,000.00                 |                                | -                                      |  | 1,624,000.00                 | 1,624,000.00                           |
|                             |                                | <u>\$ 3,919,000.00</u>       | <u>\$ -</u>                    | <u>\$ 450,000.00</u>                   |  | <u>\$ 3,469,000.00</u>       | <u>\$ 3,469,000.00</u>                 |



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

| <u>Purpose</u>                | <u>Date of<br/>Issue</u> | <u>Original Issue</u> | <u>Outstanding</u><br>December 31, 2017 |               | <u>Interest<br/>Rate</u> | <u>Balance<br/>December 31,<br/>2016</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance<br/>December 31,<br/>2017</u> |
|-------------------------------|--------------------------|-----------------------|---|---------------|--------------------------|--|------------------|------------------|--|
|                               |                          |                       | <u>Date</u>                             | <u>Amount</u> |                          |  |                  |                  |  |
| General Improvement Bonds     | 01/03/08                 | 8,688,000.00          | 01/01/18                                | 380,000.00    | 4.00%                    | 745,000.00                               | -                | 365,000.00       | 380,000.00                               |
| Refunding Bonds:              |                          |                       |   |               |                          |  |                  |                  |  |
| (General Improvements - 2002) | 11/16/10                 | 5,753,000.00          | 07/01/18                                | 290,000.00    | 3.50%                    | 4,400,000.00                             | -                | 290,000.00       | 4,110,000.00                             |
|                               |                          |                       | 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%                   |  |                  |                  |  |
|                               |                          |                       | 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%                    |  |                  |                  |  |
| Refunding Bonds:              |                          |                       |   |               |                          |  |                  |                  |  |
| (Open Space - 2002)           | 11/16/10                 | 907,000.00            | 07/01/18                                | 45,000.00     | 3.50%                    | 695,000.00                               | -                | 45,000.00        | 650,000.00                               |
|                               |                          |                       | 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%                    |  |                  |                  |  |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

| <u>Purpose</u>                 | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Outstanding</u><br><u>December 31, 2017</u> |               | <u>Interest Rate</u> | <u>Balance</u><br><u>December 31,</u><br><u>2016</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance</u><br><u>December 31,</u><br><u>2017</u> |
|--------------------------------|----------------------|-----------------------|--|---------------|----------------------|--|------------------|------------------|--|
|                                |                      |                       | <u>Date</u>                                    | <u>Amount</u> |                      |  |                  |                  |  |
| General Improvement Bonds      | 01/24/11             | 3,510,000.00          | 07/01/27                                       | 45,000.00     | 3.75%                | 1,925,000.00   | -                | 345,000.00       | 1,580,000.00   |
|                                |                      |                       | 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%                |  |                  |                  |  |
| Refunding Bonds (2003)         | 05/22/12             | 350,000.00            | 12/31/18                                       | 75,000.00     | 4.00%                | 150,000.00   | -                | 75,000.00        | 75,000.00  |
|                                |                      |                       |  |               |                      |  |                  |                  |  |
| MCIA General Improvement Bonds | 12/19/12             | 1,460,000.00          | 12/01/18                                       | 100,000.00    | 3.00%                | 1,105,000.00   | -                | 95,000.00        | 1,010,000.00   |
|                                |                      |                       | 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%                |  |                  |                  |  |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

| Purpose                        | Date of Issue | Original Issue | Outstanding |            | Interest Rate | Balance<br>December 31,<br>2016 | Increased | Decreased       | Balance<br>December 31,<br>2017 |
|--------------------------------|---------------|----------------|-------------|------------|---------------|---------------------------------|-----------|-----------------|---------------------------------|
|                                |               |                | Date        | Amount     |               |                                 |           |                 |                                 |
| MCIA General Improvement Bonds | 12/10/13      | 1,485,000.00   | 12/01/18    | 165,000.00 | 4.00%         | 1,055,000.00                    | -         | 160,000.00      | 895,000.00                      |
|                                |               |                | 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   | 12/01/18    | 220,000.00 | 4.00%         | 1,770,000.00                    | -         | 220,000.00      | 1,550,000.00                    |
|                                |               |                | 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%         |                                 |           |                 |                                 |
| Refunding Bonds (2008)         | 05/18/16      | 5,175,000.00   | 12/01/23    | 225,000.00 | 5.00%         |                                 |           |                 |                                 |
|                                |               |                | 12/01/24    | 225,000.00 | 5.00%         |                                 |           |                 |                                 |
|                                |               |                | 01/01/19    | 385,000.00 | 3.00%         | 5,175,000.00                    | -         | -               | 5,175,000.00                    |
|                                |               |                | 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%          |             |            |               |                                 |           |                 |                                 |
|                                |               |                |             |            |               |                                 |           |                 |                                 |
|                                |               |                |             |            |               | \$ 17,020,000.00                | \$ -      | \$ 1,595,000.00 | \$ 15,425,000.00                |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

| <u>Ordinance<br/>Number</u>                     | <u>Date of<br/>Issue of<br/>Original Note</u> | <u>Date<br/>of<br/>Issue</u> | <u>Date<br/>of<br/>Maturity</u> | <u>Interest<br/>Rate</u> | <u>Balance<br/>December 31,<br/>2016</u> | <u>Increased</u>       | <u>Decreased</u>       | <u>Balance<br/>December 31,<br/>2017</u> |
|---|---|------------------------------|---------------------------------|--------------------------|--|------------------------|------------------------|--|
| 11-1329   | 12/13/13                                      | 12/01/16<br>11/30/17         | 11/30/17<br>10/31/18            | 0.95%<br>1.40%           | \$ 1,595,000.00                          | \$ 1,445,000.00        | \$ 1,595,000.00        | \$ -<br>1,445,000.00                     |
| 11-1329   | 12/13/13                                      | 12/01/16<br>11/30/17         | 11/30/17<br>10/31/18            | 0.95%<br>1.40%           | 700,000.00                               | 400,000.00             | 700,000.00             | -<br>400,000.00                          |
| 16-1399/16-1405                                 | 12/01/16                                      | 12/01/16<br>11/30/17         | 11/30/17<br>10/31/18            | 0.95%<br>1.40%           | 1,624,000.00                             | 1,624,000.00           | 1,624,000.00           | -<br>1,624,000.00                        |
|   |   |                              |                                 |                          | <u>\$ 3,919,000.00</u>                   | <u>\$ 3,469,000.00</u> | <u>\$ 3,919,000.00</u> | <u>\$ 3,469,000.00</u>                   |
| Cash Disbursed - Renewals                       |   |                              |                                 |                          |  | \$ 3,469,000.00        | \$ 3,469,000.00        |  |
| Paid by Budget Appropriation - Current Fund     |   |                              |                                 |                          |  | -                      | 150,000.00             |  |
| Paid by Budget Appropriation - Open Space Trust |   |                              |                                 |                          |  | -                      | 300,000.00             |  |
|   |   |                              |                                 |                          |  | <u>\$ 3,469,000.00</u> | <u>\$ 3,919,000.00</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, 2017**

| <u>Purpose</u>             | <u>Date of<br/>Issue</u> | <u>Original<br/>Issue</u> | <u>Schedule of Maturities</u> |                  | <u>Interest<br/>Rate</u> | <u>Balance<br/>December 31,<br/>2016</u> | <u>Principal<br/>Payment</u> | <u>Balance<br/>December 31,<br/>2017</u> |
|----------------------------|--------------------------|---------------------------|-------------------------------|------------------|--------------------------|--|------------------------------|--|
|                            |                          |                           | <u>Date</u>                   | <u>Principal</u> |                          |  |                              |  |
| Riverdale Park Acquisition | 05/09/97                 | \$ 739,750.00             | N/A                           | N/A              | N/A                      | \$ 22,772.28                             | \$ 22,772.28                 | \$ -                                     |
|                            |                          |                           |                               |                  |                          | <u>\$ 22,772.28</u>                      | <u>\$ 22,772.28</u>          | <u>\$ -</u>                              |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DOT GRANT RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 and 2016

\$ 62,500.00

Analysis of Balance

NJDOT - Ordinance 2016-1399

\$ 62,500.00

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

| Ordinance<br>Number | Improvement Description               | Ordinance |              | Balance<br>December 31, 2016 |            | Transferred<br>From<br>Encumbrances |            | Paid<br>or<br>Charged |              | Transferred<br>To<br>Encumbrances |           | Balance<br>December 31, 2017 |            |    |            |
|---------------------|---------------------------------------|-----------|--------------|------------------------------|------------|-------------------------------------|------------|-----------------------|--------------|-----------------------------------|-----------|------------------------------|------------|----|------------|
|                     |                                       | Date      | Amount       | Funded                       | Unfunded   | Payable                             | Payable    | Charged               | Payable      | Funded                            | Unfunded  |                              |            |    |            |
|                     |                                       |           |              |                              |            |                                     |            |                       |              |                                   |           |                              |            |    |            |
| 06-1181             | New Municipal Complex                 | 05/02/06  | 1,500,000.00 | \$                           | -          | \$                                  | 13,567.38  | \$                    | 69,318.81    | \$                                | 10,277.48 | \$                           | 73,664.83  | \$ | -          |
| 09-1286             | Various Items of Equipment            | 12/01/09  | 1,095,000.00 |                              | -          |                                     | -          |                       |              |                                   | -         |                              | 22,326.49  |    | -          |
| 11-1325             | Various Capital Improvements          | 09/20/11  | 1,067,000.00 |                              | -          |                                     | 12,860.10  |                       | 35,718.81    |                                   | -         |                              | 72,677.76  |    | -          |
| 12-1345             | 2012 Road Program                     | 06/19/12  | 1,907,500.00 |                              | -          |                                     | -          |                       | -            |                                   | -         |                              | 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   |                              | -          |                                     | 28,668.90  |                       | -            |                                   | -         |                              | -          |    | -          |
| 13-1370             | 2014 Road Improvement Program         | 12/17/13  | 2,389,750.00 |                              | -          |                                     | 39,726.56  |                       | 24,401.02    |                                   | 15,325.54 |                              | 10,009.25  |    | -          |
| 14-1377             | 2014 Various Capital Improvements     | 08/05/14  | 832,500.00   |                              | -          |                                     | 23,310.96  |                       | 85,747.18    |                                   | 42,631.16 |                              | 327,899.65 |    | -          |
| 16-1399/16-1405     | Various Capital Improvements          | 05/17/16  | 1,960,000.00 |                              | 345,800.00 |                                     | 820,497.03 |                       | 771,290.21   |                                   | -         |                              | -          |    | 395,006.82 |
|                     |                                       |           |              | \$                           | 708,982.17 | \$                                  | 938,630.93 | \$                    | 1,015,144.93 | \$                                | 70,088.00 | \$                           | 513,173.35 | \$ | 395,006.82 |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                            |                            |
|----------------------------|----------------------------|
| Balance, December 31, 2016 | \$ 38,477.00               |
| Increased By:              |                            |
| Budget Appropriation       | <u>50,000.00</u>           |
| Balance, December 31, 2017 | <u><u>\$ 88,477.00</u></u> |



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF MISCELLANEOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                          | Balance<br>December 31,<br><u>2016</u> | <u>Increased</u>    | <u>Decreased</u>     | Balance<br>December 31,<br><u>2017</u> |
|--------------------------|--|---------------------|----------------------|--|
| Reserve for:             |  |                     |                      |  |
| Sidewalk Contributions   | \$ 26,215.99                           | \$ 13,099.20        | \$ 26,215.99         | \$ 13,099.20                           |
| 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             | 480,037.34                             | -                   | 480,037.34           | -                                      |
|                          | <u>\$ 651,257.49</u>                   | <u>\$ 13,099.20</u> | <u>\$ 506,253.33</u> | <u>\$ 158,103.36</u>                   |

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

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**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                              | <u>Operating</u>              | <u>Capital</u>             |
|------------------------------|-------------------------------|----------------------------|
| Balance, December 31, 2016   | \$ 4,130,810.04               | \$ 34,165.55               |
| Increased By Receipts:       |                               |                            |
| Consumer Accounts Receivable | \$ 3,954,603.36               | -                          |
| Non-Budget Revenue           | 309,534.95                    | -                          |
| Prepaid Rents                | 400,257.11                    | -                          |
|                              | <u>4,664,395.42</u>           | <u>-</u>                   |
|                              | 8,795,205.46                  | 34,165.55                  |
| Decreased By Disbursements:  |                               |                            |
| 2017 Budget Appropriations   | 4,457,712.42                  | -                          |
| 2016 Appropriation Reserves  | 459,464.24                    | -                          |
| Accounts Payable             | 24,963.02                     | -                          |
| Due Grant Fund               | 3,225.36                      | -                          |
| Refund of Sewer Overpayments | 1,774.22                      | -                          |
| Refund of Prior Revenue      | 123.75                        | -                          |
| Improvement Authorizations   | <u>-</u>                      | <u>\$ 19,152.08</u>        |
|                              | <u>4,947,263.01</u>           | <u>19,152.08</u>           |
| Balance, December 31, 2017   | <u><u>\$ 3,847,942.45</u></u> | <u><u>\$ 15,013.47</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, 2017**

|                            |                                       |  |
|----------------------------|---------------------------------------|--|
|                            |                                       | Balance<br>December 31,<br><u>2017</u> |
| Encumbrances Payable       |                                       | \$ 3,765.21                            |
| Fund Balance               |                                       | 4,678.64                               |
|                            |                                       |  |
| Ordinance<br><u>Number</u> | <u>Ordinance Description</u>          |  |
| 14-1376                    | Various Pump Station Improvements and | <u>6,569.62</u>                        |
|                            |                                       | <u><u>\$ 15,013.47</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, 2017**

|                            |                 |                             |
|----------------------------|-----------------|-----------------------------|
| Balance, December 31, 2016 |                 | \$ 155,309.05               |
| Increased By:              |                 |                             |
| Sewer Rents Levied         |                 | <u>4,319,750.62</u>         |
|                            |                 | 4,475,059.67                |
| Decreased By:              |                 |                             |
| Cash Collections           | \$ 3,954,603.36 |                             |
| Prepaid Rents Applied      | 375,937.57      |                             |
| Transfer to Sewer Liens    | 1,042.25        |                             |
| Cancellation               | <u>191.72</u>   |                             |
|                            |                 | <u>4,331,774.90</u>         |
| Balance, December 31, 2017 |                 | <u><u>\$ 143,284.77</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, 2017**

| <u>Description</u>  | Balance<br>December 31,<br><u>2016</u> | Increased<br>by<br><u>Capital Outlay</u> | Transferred<br>From Fixed<br>Capital Authorized<br>and Uncompleted | Balance<br>December 31,<br><u>2017</u> |
|---|--|--|--|--|
| Construction of a System Interceptor<br>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                             | -  | -  | 234,851.06                             |
| Wyncrest Pump Station   | 1,303,957.34                           | -  | -  | 1,303,957.34                           |
| Sewer Infrastructure Improvements                             | 15,832.77                              | 67,107.40                                | -  | 82,940.17                              |
| Pump Station Improvements                                     | 678,063.30                             | 36,797.83                                | -  | 714,861.13                             |
| Sewer GIS Mapping   | 66,414.05                              | 5,986.00                                 | -  | 72,400.05                              |
| Sewer Jet Truck   | -                                      | 408,670.68                               | -  | 408,670.68                             |
|   | <hr/>                                  |  |  |  |
|   | \$ 10,699,962.55                       | \$ 518,561.91                            | \$ -   | \$ 11,218,524.46                       |
|   | <hr/>                                  |  |  |  |



**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, 2017**

| <u>Ordinance<br/>Number</u> | <u>Improvement Description</u>                                  | <u>Ordinance</u> |               | <u>Balance</u>               | <u>Transferred<br/>To Fixed<br/>Capital</u> | <u>Balance</u>               |
|-----------------------------|---|------------------|---------------|------------------------------|---|------------------------------|
|                             |   | <u>Date</u>      | <u>Amount</u> | <u>December 31,<br/>2016</u> |   | <u>December 31,<br/>2017</u> |
| 14-1376                     | Various Pump Station Improvements and<br>Generator Replacements | 08/05/14         | 400,000.00    | 400,000.00                   | -   | 400,000.00                   |
|                             |   |                  |               | <u>\$ 400,000.00</u>         | <u>\$ -</u>                                 | <u>\$ 400,000.00</u>         |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|   | Balance<br>December 31,<br><u>2016</u> | Balance<br>After<br><u>Modifications</u> | Paid or<br><u>Charged</u> | Balance<br><u>Lapsed</u> |
|---|--|--|---------------------------|--------------------------|
| Operating:                              |  |  |                           |                          |
| Salaries and Wages                      | \$ 20,366.70                           | \$ 20,366.70                             | \$ -                      | \$ 20,366.70             |
| Other Expenses                          | 507,414.77                             | 507,414.77                               | 47,460.77                 | 459,954.00               |
|   |  |  |                           |                          |
| Total Operating                         | 527,781.47                             | 527,781.47                               | 47,460.77                 | 480,320.70               |
|   |  |  |                           |                          |
| Capital Improvements:                   |  |  |                           |                          |
| Capital Outlay                          | 583,964.51                             | 583,964.51                               | 457,124.84                | 126,839.67               |
|   |  |  |                           |                          |
| Total Capital Improvements              | 583,964.51                             | 583,964.51                               | 457,124.84                | 126,839.67               |
|   |  |  |                           |                          |
| Statutory Expenditures:                 |  |  |                           |                          |
| Contributions To:                       |  |  |                           |                          |
| Social Security System (O.A.S.I.)       | 1,779.43                               | 1,779.43                                 | -                         | 1,779.43                 |
|   |  |  |                           |                          |
| Total Statutory Expenditures            | 1,779.43                               | 1,779.43                                 | -                         | 1,779.43                 |
|   |  |  |                           |                          |
| Total Sewer Utility Fund Appropriations | <u>\$ 1,113,525.41</u>                 | <u>\$ 1,113,525.41</u>                   | <u>\$ 504,585.61</u>      | <u>\$ 608,939.80</u>     |
|   |  |  |                           |                          |
| Appropriation Reserves                  |  | \$ 587,093.81                            |                           |                          |
| Encumbrances Payable                    |  | <u>526,431.60</u>                        |                           |                          |
|   |  | <u>\$ 1,113,525.41</u>                   |                           |                          |
|   |  |  |                           |                          |
| Cash Disbursements                      |  |  | \$ 459,464.24             |                          |
| Accounts Payable                        |  |  | <u>45,121.37</u>          |                          |
|   |  |  | <u>\$ 504,585.61</u>      |                          |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                      |                            |
|--------------------------------------|----------------------------|
| Balance, December 31, 2016           | \$ 26,616.23               |
| Increased By:                        |                            |
| Transfer from Appropriation Reserves | <u>43,468.16</u>           |
|                                      | 70,084.39                  |
| Decreased By:                        |                            |
| Cash Disbursements                   | <u>24,963.02</u>           |
| Balance, December 31, 2017           | <u><u>\$ 45,121.37</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, 2017**

|  |                             |
|--|-----------------------------|
| Balance, December 31, 2016             | \$ 375,937.57               |
| Increased By:                          |                             |
| Collections - 2018 Sewer Rents         | <u>400,257.11</u>           |
|  | 776,194.68                  |
| Decreased By:                          |                             |
| Applied To 2017 Sewer Rents Receivable | <u>375,937.57</u>           |
| Balance, December 31, 2017             | <u><u>\$ 400,257.11</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, 2017**

| <u>Improvement Description</u>                                  | <u>Ordinance<br/>Number</u> | <u>Date</u> | <u>Amount</u> | <u>Balance<br/>December 31,<br/>2016</u> |                 | <u>Transferred<br/>From<br/>Encumbrances<br/>Payable</u> | <u>Paid<br/>or<br/>Charged</u> | <u>Transferred<br/>To<br/>Encumbrances<br/>Payable</u> | <u>Balance<br/>December 31,<br/>2017</u> |                 |
|---|-----------------------------|-------------|---------------|--|-----------------|--|--------------------------------|--|--|-----------------|
|   |                             |             |               | <u>Funded</u>                            | <u>Unfunded</u> |  |                                |  | <u>Funded</u>                            | <u>Unfunded</u> |
| Various Pump Station Improvements and<br>Generator Replacements | 14-1376                     | 08/05/14    | 400,000.00    | 8,152.88                                 | -               | 21,334.03  | 19,152.08                      | 3,765.21   | 6,569.62                                 | -               |
|   |                             |             |               | \$ 8,152.88                              | \$ -            | \$ 21,334.03   | \$ 19,152.08                   | \$ 3,765.21  | \$ 6,569.62                              | \$ -            |

**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                            |                                |
|----------------------------|--------------------------------|
| Balance, December 31, 2016 | \$ 10,699,962.55               |
| Increased By:              |                                |
| Capital Outlay             | <u>518,561.91</u>              |
| Balance, December 31, 2017 | <u><u>\$ 11,218,524.46</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, 2017**

Balance, December 31, 2017 and 2016

\$ 400,000.00

**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, 2017**

|  |                    |
|--|--------------------|
| Balance, December 31, 2016                       | \$ 3,225.36        |
| Decreased By:                                    |                    |
| Liquidated Interfund - Transferred to Grant Fund | <u>3,225.36</u>    |
| Balance, December 31, 2017                       | <u><u>\$ -</u></u> |



**BOROUGH OF TINTON FALLS  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF OVERPAID SEWER RENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                            |                        |
|----------------------------|------------------------|
| Balance, December 31, 2016 | \$ -                   |
| Increased By:              |                        |
| Overpayments Created       | <u>1,868.97</u>        |
| Decreased By:              |                        |
| Refunds of Overpayments    | <u>1,774.22</u>        |
| Balance, December 31, 2017 | <u><u>\$ 94.75</u></u> |

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**BOROUGH OF TINTON FALLS**

**PART II**

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -  
GOVERNMENT AUDITING STANDARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**BOROUGH OF TINTON FALLS**  
**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**BOROUGH OF TINTON FALLS  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

**FEDERAL AWARDS**

N/A – No Federal Single Audit in prior year.

**STATE FINANCIAL ASSISTANCE**

N/A – No State Single Audit in prior year.

**BOROUGH OF TINTON FALLS**

**PART III**

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017:

| <u>Name</u>           | <u>Title</u>                |
|-----------------------|-----------------------------|
| Gerald M. Turning Sr. | Mayor                       |
| Gary Baldwin          | Council President           |
| Christopher Pak       | Deputy Council President    |
| John Manginelli       | Councilmember               |
| Nancyanne Fama        | Councilmember               |
| John Roche            | Councilmember               |
| Elizabeth Perez       | Business Administrator      |
| Thomas Fallon         | Chief Financial Officer (1) |
| Maureen Murphy        | Borough Clerk (2)           |
| Carol Hussey          | Tax Collector (1)           |
| Stacey Kitson         | Court Administrator (1)     |
| Scott Imbriaco        | Tax Assessor (1)            |
| Brian M. Nelson, Esq. | Borough Attorney (1)        |

(1) Employees were covered by a statutory blanket crime bond which provided by Travelers Casualty & Surety Company of America in the amount of \$1,000,000.

(2) Employees were covered by a blanket honesty bond which provides coverage of \$50,000 per individual.

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HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

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

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 ended December 31, 2017.

#### **GENERAL COMMENTS:**

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

N.J.S.A.40A:11-4 states 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 the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2017.

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.

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.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" 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*.

## **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 2, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

*NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and*

*BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Tinton Falls, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and*

*BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Tinton Falls, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to 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.

### **OTHER COMMENTS (FINDINGS):**

None.

### **RECOMMENDATIONS:**

None.

**Appreciation**

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 No. 483

Freehold, New Jersey  
June 28, 2018