

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2014**

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN, NEW JERSEY**

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COUNTY OF OCEAN, NEW JERSEY**

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**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Berkeley, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Berkeley, County of Ocean, State of New Jersey as of December 31, 2014 and 2013, and the related comparative statement of operations and changes in fund balance--regulatory basis for the years then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As discussed in Note 1 to the financial statements, the Township of Berkeley prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Berkeley, County of Ocean, State of New Jersey, as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 18.56% and 17.31% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2014 and 2013.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Berkeley, County of Ocean, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2015, on our consideration of the Township of Berkeley'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 Township of Berkeley's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR #498

July 2, 2015
Toms River, New Jersey



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

The Honorable Mayor and Members
of the Township Council
Township of Berkeley
County of Ocean
Berkeley, 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 of the Township of Berkeley (herein referred to as "the Township"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 02, 2015. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. Further, our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund ("LOSAP") Trust Fund. The LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township's financial statements as of and for the year ended December 31, 2014. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township'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 Township'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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the General Comments Section as Finding No 2014-001.

Response to Findings

The Township of Berkeley's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. The Township of Berkeley's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR #498

July 2, 2015
Toms River, New Jersey

BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,

Sheet 1 of 2

RESERVES AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	A-4	\$ 5,218,574.72	\$ 6,435,422.09
Cash - Change Fund		3,520.00	3,510.00
		5,222,094.72	6,438,932.09
Due from State of New Jersey (P.L. 1971, Ch. 20)		33,305.77	83,434.25
		5,255,400.49	6,522,366.34
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	3,056,369.34	2,757,788.88
Tax Title Liens Receivable	A-6	678,806.79	592,522.16
Property Acquired for Taxes		6,590,979.58	6,361,397.58
Revenue Accounts Receivable	A-7	16,633.87	16,848.15
Due From Municipal Utility Authority		2,339.36	-
Interfunds:			
Trust Other Fund	A-15	42,744.70	-
Animal Control Trust Fund	A-15	1,473.38	11,648.59
Payroll	A-15	13,260.14	68,940.53
Grant Fund	A-16	100,287.21	176,507.04
		10,502,894.37	9,985,652.93
Deferred Charges:			
Deficit in Operations	A-3	-	46,666.68
Special Emergency Authorizations (40A:4-55)	A-8	4,525,665.77	5,711,394.68
FEMA Community Disaster Loan Payable (Memo)		5,061,096.00	5,011,232.88
		9,586,761.77	10,769,294.24
		25,345,056.63	27,277,313.51
<u>Grant Fund</u>			
Grants Receivable	A-17	1,112,186.31	338,316.92
		1,112,186.31	338,316.92
		\$ 26,457,242.94	\$ 27,615,630.43

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,

Sheet 2 of 2

RESERVES AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3,9	\$ 613,922.72	\$ 381,079.15
Reserve for Encumbrances	A-3,9	249,420.97	362,591.12
Special Emergency Note Payable	A-4	3,600,000.00	4,800,000.00
Prepaid Taxes	A-4	1,097,011.99	1,019,592.25
Due to Municipal Utility Authorities		237.21	1,784.78
Sales Tax Payable		1,151.38	1,482.09
Reserve for Garden State Trust Fund		42,590.00	42,590.00
Reserve for Police Found Money		1,816.28	1,816.28
Accounts Payable		5,573.93	14,420.24
County Taxes Payable	A-12	50,804.21	93,986.18
Tax Overpayments		266,241.91	268,126.39
Reserve for Contractually Required Severance	A-14	277,906.91	261,769.87
Reserve for Revaluation Program	A-14	53,754.35	53,754.35
Reserve for Storm Damage	A-14	1,767,626.90	2,475,490.31
FEMA Community Disaster Loan Payable (Memo)		5,061,096.00	5,011,232.88
Interfunds:			
General Capital Fund	A-15	-	22,108.49
Trust Other Fund	A-15	-	106,500.64
		<u>13,089,154.76</u>	<u>14,918,325.02</u>
Reserve for Receivables and Other Assets		10,502,894.37	9,985,652.93
Fund Balance	A-1	<u>1,753,007.50</u>	<u>2,373,335.56</u>
		<u>25,345,056.63</u>	<u>27,277,313.51</u>
<u>Grant Fund</u>			
Interfund - Current Fund	A-16	100,287.21	176,507.04
Reserve for Encumbrances	A-18	21,379.92	19,436.36
Appropriated Reserves	A-18	990,519.18	133,767.80
Unappropriated Reserves	A-19		8,605.72
		<u>1,112,186.31</u>	<u>338,316.92</u>
		\$ <u>26,457,242.94</u>	\$ <u>27,615,630.43</u>

There were deferred school taxes on December 31, 2014 and 2013 of \$22,511,057.40 and \$22,719,598.28, respectively (Exhibits A-10 and A-11).

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-1

COMPARATIVE STATEMENT OF OPERATIONS AND

Sheet 1 of 2

CHANGE IN FUND BALANCE - REGULATORY BASIS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Year 2014</u>	<u>Year 2013</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,330,000.00	\$ -
Fund Balance Utilized with Prior Consent of		
Director of Local Government Services	83,000.00	-
Miscellaneous Revenue Anticipated	8,890,358.07	13,692,757.82
Receipts from Delinquent Taxes	2,941,259.75	3,522,500.13
Receipts from Current Taxes	96,457,124.82	94,388,858.17
Non-Budget Revenues	234,632.50	245,157.65
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	201,850.81	525,599.68
Note Sale Premiums	51,665.00	-
Accounts Payable Cancelled	11,902.49	-
Animal Control Trust Fund - Statutory Excess	-	11,648.59
Interfunds Returned	100,804.11	-
Grant Fund Net Cancellation of Balances	1,014.64	708.05
Total Income	<u>110,303,612.19</u>	<u>112,387,230.09</u>
<u>Expenditures</u>		
Budget Appropriations within Caps:		
Operations:		
Salaries and Wages	14,833,462.47	15,456,483.73
Other Expenses	14,322,172.32	13,657,451.29
Deferred Charges and Statutory Expenditures	3,712,061.62	4,620,141.05
Budget Appropriations excluded from Caps:		
Operations:		
Salaries and Wages	295,121.80	310,976.99
Other Expenses	1,730,980.13	1,241,033.42
Capital Improvements	520,000.00	320,000.00
Municipal Debt Service	3,383,046.10	4,192,151.34
Deferred Charges	1,427,755.71	1,340,369.01
	<u>40,224,600.15</u>	<u>41,138,606.83</u>
Prior Year Senior Citizen Deductions Disallowed	133,018.72	69,131.61
Local District School Taxes	28,459,405.00	28,140,501.00
Regional School Taxes	19,518,100.88	19,624,436.99
County Taxes	20,785,032.50	20,623,053.95
Local Open Space Tax	510,650.13	512,089.92
Reserve for Miscellaneous Accounts Receivable	2,339.36	-
Interfund Loans Advanced	-	40,308.53
Refunds	-	2,817.83
Prior Year Tax Appeals	119,820.31	320,041.25
Total Expenditures	<u>109,752,967.05</u>	<u>110,470,987.91</u>

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-1

COMPARATIVE STATEMENT OF OPERATIONS AND

Sheet 2 of 2

CHANGE IN FUND BALANCE - REGULATORY BASIS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Year 2014	Year 2013
Excess/(Deficit) in Revenue	\$ <u>550,645.14</u>	\$ <u>1,916,242.18</u>
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by		
Statute Deferred Charges to Budgets of		
Succeeding Years	<u>242,026.80</u>	<u>446,948.55</u>
Statutory Excess to Fund Balance	<u>792,671.94</u>	<u>2,363,190.73</u>
Fund Balance January 1	\$ <u>2,373,335.56</u>	\$ <u>10,144.83</u>
	<u>3,166,007.50</u>	<u>2,373,335.56</u>
Decreased by:		
Utilization as Anticipated Revenue	<u>1,413,000.00</u>	<u>-</u>
Fund Balance December 31	\$ <u><u>1,753,007.50</u></u>	\$ <u><u>2,373,335.56</u></u>

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 1 of 4

FOR THE YEAR ENDED DECEMBER 31, 2014

	Anticipated Budget	Realized	Excess or (Deficit)
	\$	\$	\$
Fund Balance Anticipated	1,330,000.00	1,330,000.00	-
Fund Balance Anticipated with Prior Consent of the Director of Local Government Services	83,000.00	83,000.00	-
	<u>1,413,000.00</u>	<u>1,413,000.00</u>	<u>-</u>
 <u>Miscellaneous Revenues</u>			
Licenses:			
Alcoholic Beverages	\$ 46,000.00	\$ 45,876.00	\$ (124.00)
Other	4,775.00	4,189.00	(586.00)
Fees and Permits	278,600.00	337,613.77	59,013.77
Fines and Costs:			
Municipal Court	220,000.00	233,405.22	13,405.22
Interest and Costs on Taxes	548,500.00	535,281.85	(13,218.15)
Interest on Investments and Deposits	13,500.00	5,963.16	(7,536.84)
Beach Admission Fees	83,000.00	89,577.00	6,577.00
Municipal Golf Course	645,000.00	626,712.64	(18,287.36)
Water and Cable Franchise Fees	202,625.34	202,625.34	-
Hotel and Motel Occupancy Tax	13,000.00	26,287.88	13,287.88
Central Regional Board of Education - Trash	7,500.00	25,500.00	18,000.00
State Aid:			
Energy Receipts Tax	4,213,875.00	4,213,875.00	-
Garden State Trust Fund	42,590.00	42,590.00	-
Special Items of Revenue:			
Interlocal Services Agreements:			
Animal Control Services	24,255.00	18,351.30	(5,903.70)
Berkeley Board of Education Fuel Facilities	105,000.00	111,749.48	6,749.48
Central Regional Board of Education Fuel Facilities	235,000.00	205,358.85	(29,641.15)
Fire Protection	26,500.00	26,500.00	-
Public and Private Programs:			
Clean Communities Program	107,386.37	107,386.37	-
Municipal Alliance on Alcohol and Drug Abuse	15,009.29	15,009.29	-
Municipal Alliance on Alcohol and Drug Abuse	33,638.00	33,638.00	-
Division of Highway Safety-Click-It or Ticket	4,000.00	4,000.00	-
NJ Division of Highway Safety	4,400.00	4,400.00	-
2014 State 966 Program	40,500.00	40,500.00	-

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 4

FOR THE YEAR ENDED DECEMBER 31, 2014

	Anticipated Budget	Realized	Excess or (Deficit)
Special Items of Revenue (Continued):			
Public and Private Programs (Continued):			
Body Armor Fund	\$ 8,605.72	\$ 8,605.72	\$ -
Department of Transportation-Variou Road Projects	200,000.00	200,000.00	-
Ocean County Municipal Recycling Grant	7,213.00	7,213.00	-
State of NJ-DCA-Post Sandy Planning Assistance Grant	277,000.00	277,000.00	-
State of NJ-DCA-Post Sandy Planning Assistance Grant	26,000.00	26,000.00	-
State of NJ-Dept. of Law & Public Safety-Energy Allocation Initiative	215,400.00	215,400.00	-
NJDEP Mini Grant-Cedar Creek Weir Fish Passage Restoration Project	16,000.00	16,000.00	-
Drive Sober or Get Pulled Over Grant	5,000.00	5,000.00	-
State of NJ-OEM-FY 2015 966 Grant	31,174.85	31,174.85	-
2014 Drive Sober Or Get Pulled Over Year End Holiday Grant	7,500.00	7,500.00	-
2014 Body Armor Fund	6,826.35	6,826.35	-
Bureau of Justice Assistance-Bulletproof Vest Partnership Program Grant	13,631.62	13,631.62	-
CDBG- Parking Facilities Volunteer Community Center	33,000.00	33,000.00	-
FY14 Homeland Security Grant	33,066.00	33,066.00	-
State of NJ-Department of Law & Public Safety-EMMA Grant	5,000.00	5,000.00	-
Other Special Items:			
FEMA Reimbursement - Hurricane Sandy Event	72,722.08	22,722.08	(50,000.00)
Health Care Coverage - Employee Percentage	227,000.00	267,260.18	40,260.18
Sale of Fixed Assets	46,750.00	47,136.54	386.54
Ocean County Recycling Revenue Sharing Program	22,996.43	45,247.22	22,250.79
Refuge Revenue Sharing Act	948.00	948.00	-
Capital Fund Reserve for Cash	110,869.44	110,869.44	-
Grant Proceeds	197,468.00		(197,468.00)
Senior/Veteran Administration Fee	36,000.00	35,345.58	(654.42)
Surplus from the Berkeley Township Municipal Utility Authority			
Surplus from the Berkeley Township Sewer Authority	81,786.00	81,786.00	-
Uniform Fire Safety Act	410,000.00	410,000.00	-
Total Miscellaneous Revenues	28,930.44	27,235.34	(1,695.10)
Receipts from Delinquent Taxes	9,035,541.93	8,890,358.07	(145,183.86)
Subtotal General Revenues	2,886,180.00	2,941,259.75	55,079.75
Amount to be Raised by Taxes for Support of Municipal Budget	13,334,721.93	13,244,617.82	(90,104.11)
Total General Revenues	30,557,734.84	30,532,416.52	(25,318.32)
Non-Budget Revenues	43,892,456.77	43,777,034.34	(115,422.43)
		234,632.50	234,632.50
	\$ 43,892,456.77	\$ 44,011,666.84	\$ 119,210.07

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 3 of 4

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,5	\$ 96,457,124.82
Allocated to:		
School, County Taxes and Municipal Open Space	A-10,11,12,13	<u>69,064,647.63</u>
Balance for Support of Municipal Budget		
Appropriations		27,392,477.19
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>3,139,939.33</u>
Amount for Support of Municipal Budget		
Appropriations	A-2	<u><u>\$ 30,532,416.52</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-5	\$ 2,793,256.81
Tax Title Lien Collections	A-6	<u>148,002.94</u>
	A-2	<u><u>\$ 2,941,259.75</u></u>

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

TOWNSHIP OF BARNEGAT - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - STATUTORY BASIS

Sheet 4 of 4

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	
<u>Analysis of Non-Budget Revenue</u>		
Accident Insurance Reimbursements		\$ 39,374.50
2012 Recycling Tonnage Grant		52,626.00
Recycling Fees		4,923.00
Refund of Prior Year Expenses		108,922.64
Sale of Land		3,600.00
Housing Authority-PILOT		6,754.00
Debris Removal		13,124.60
Miscellaneous Other		5,307.76
		<hr/>
		\$ 234,632.50
		<hr/> <hr/>

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 1 of 10

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN CAPS</u>					
<u>General Government Functions</u>					
General Administration					
Salaries and Wages	\$ 257,279.00	\$ 261,106.10	\$ 248,050.79	\$ 13,055.31	\$ -
Other Expenses	40,000.00	45,852.70	43,530.48	2,322.22	-
Human Resources					
Salaries and Wages	28,000.00	24,792.11	23,552.50	1,239.61	-
Other Expenses	4,000.00	4,454.00	4,453.78	0.22	-
Office of the Mayor					
Salaries and Wages	8,500.00	8,500.00	8,499.92	0.08	-
Other Expenses	1,400.00	1,400.00	1,237.30	162.70	-
Township Council					
Salaries and Wages	48,000.00	49,999.56	49,999.56	-	-
Other Expenses	4,000.00	4,000.00	3,617.70	382.30	-
Municipal Clerk					
Salaries and Wages	215,247.00	194,709.06	194,709.06	-	-
Other Expenses	20,000.00	22,657.67	22,657.67	-	-
Financial Administration					
Salaries and Wages	311,499.00	311,499.00	296,378.28	15,120.72	-
Other Expenses	25,000.00	15,000.00	14,318.50	681.50	-
Contractually Required Severance Liabilities					
Other Expenses	242,026.80	242,026.80	242,026.80	-	-
Audit Services					
Other Expenses	49,000.00	57,150.00	53,721.00	3,429.00	-
Revenue Administration (Tax Collection)					
Salaries and Wages	332,085.00	317,085.00	309,044.79	8,040.21	-
Other Expenses	60,000.00	73,525.61	73,525.61	-	-

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 2 of 10

FOR THE YEAR ENDED DECEMBER 31, 2014

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Tax Assessment Administration					
Salaries and Wages	\$ 221,392.00	\$ 210,392.00	\$ 206,785.21	\$ 3,606.79	\$ -
Other Expenses	15,000.00	15,000.00	14,770.80	229.20	-
Legal Services					
Other Expenses	350,000.00	376,782.18	376,782.18	-	-
Senior Citizens Advisory Committee					
Salaries and Wages	1,000.00	600.00	600.00	-	-
Veterans Advisory Council					
Salaries and Wages	1,000.00	-	-	-	-
Waterways Advisory Committee					
Salaries and Wages	1,000.00	1,000.00	1,000.00	-	-
Municipal Court:					
Salaries and Wages	216,581.00	216,581.00	212,653.32	3,927.68	-
Other Expenses	8,000.00	8,000.00	4,986.72	3,013.28	-
Public Defender (P.L. 1997, c256)					
Other Expenses	13,000.00	31,249.50	31,249.50	-	-
Engineering Services					
Other Expenses	125,000.00	225,426.16	225,426.16	-	-
Economic Development Agencies					
Salaries and Wages	1,000.00	1,634.35	1,634.35	-	-
Other Expenses		25.00	25.00	-	-
<u>Land Use Administration</u>					
Planning Board / Director of Planning					
Other Expenses	70,000.00	83,725.42	83,725.42	-	-
Planning Board					
Salaries and Wages	9,600.00	9,100.00	8,657.86	442.14	-
Other Expenses	10,000.00	11,094.58	11,094.58	-	-

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 3 of 10

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Division of Zoning					
Salaries and Wages	\$ 51,025.00	\$ 53,649.71	\$ 53,649.71	-	-
Other Expenses	2,000.00	2,000.00	1,499.52	500.48	-
Zoning Board of Adjustment					
Salaries and Wages	13,400.00	9,500.00	9,146.14	353.86	-
Other Expenses	20,000.00	24,842.01	24,842.01	-	-
<u>Insurances</u>					
General Liability	1,300,000.00	1,284,310.00	1,231,873.19	52,436.81	-
Workers Compensation	325,000.00	384,491.00	383,165.82	1,325.18	-
Employee Group Insurance	5,910,072.00	6,084,540.35	6,084,540.35	-	-
Unemployment Insurance	25,000.00	-	-	-	-
<u>Public Safety Functions</u>					
Police Department					
Salaries and Wages	8,288,915.00	8,138,915.00	7,966,310.37	172,604.63	-
Other Expenses	363,225.00	273,225.00	247,787.60	25,437.40	-
Emergency Management					
Salaries and Wages	10,000.00	4,494.62	4,494.62	-	-
Other Expenses	5,000.00	3,700.00	3,573.71	126.29	-
Aid to Volunteer Fire Companies					
Salaries and Wages	15,000.00	15,002.00	15,002.00	-	-
Other Expenses	208,000.00	208,000.00	207,573.91	426.09	-
First Aid Contribution					
Other Expenses	125,000.00	125,000.00	125,000.00	-	-
Fire Department					
Salaries and Wages	113,670.16	113,670.16	112,614.37	1,055.79	-
Other Expenses	5,000.00	5,000.00	2,753.79	2,246.21	-
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	28,930.44	28,930.44	28,930.44	-	-
Municipal Prosecutor:					
Other Expenses	50,000.00	44,520.00	39,520.00	5,000.00	-

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 4 of 10

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Public Works Functions</u>					
Streets and Roads Maintenance:					
Salaries and Wages	\$ 411,111.00	\$ 374,111.00	\$ 363,776.38	\$ 10,334.62	\$ -
Other Expenses	160,000.00	213,986.00	212,942.28	1,043.72	-
Contractual	451,000.00	451,000.00	450,569.32	430.68	-
Other Public Works Functions/Signs, Maintenance					
Salaries and Wages	119,893.00	127,170.07	127,170.07	-	-
Other Expenses	20,000.00	20,000.00	18,899.87	1,100.13	-
Other Public Works Functions/ Building Demolition					
Other Expenses	10,000.00	-	-	-	-
Sanitation/Solid Waste Collection:					
Salaries and Wages	1,778,123.00	1,920,678.73	1,920,678.73	-	-
Other Expenses	174,000.00	174,000.00	173,820.84	179.16	-
Solid Waste Collection/Recycling					
Salaries and Wages	392,875.00	392,875.00	391,440.78	1,434.22	-
Other Expenses	21,000.00	21,000.00	21,000.00	-	-
Buildings and Grounds:					
Salaries and Wages	160,531.00	178,613.43	171,468.89	7,144.54	-
Other Expenses	50,000.00	50,000.00	47,998.25	2,001.75	-
Equipment Maintenance					
Salaries and Wages	486,362.00	407,362.00	396,899.53	10,462.47	-
Other Expenses	30,000.00	30,000.00	29,153.17	846.83	-
<u>Health and Human Services</u>					
Environmental Health Services					
Other Expenses	1,000.00	425.00	425.00	-	-
Animal Control Services					
Salaries and Wages	114,584.00	114,584.00	113,543.00	1,041.00	-
Other Expenses	8,190.00	3,190.00	2,298.22	891.78	-

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 5 of 10

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Budget After</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>\$</u>	<u>Modification</u>	<u>\$</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Contribution - Providence House (N.J.S.A. 40:23-8.17)	930.00	\$	930.00	\$	930.00	\$	\$
Contribution - Community Services Inc. (N.J.S.A. 40:48-9.4)	930.00		930.00		930.00	-	-
<u>Parks and Recreation</u>							
Recreation Services and Programs							
Salaries and Wages	441,076.00		442,558.24		442,558.24	-	-
Other Expenses	50,000.00		39,500.00		37,139.67	2,360.33	-
Recreation Services and Programs/Golf Course							
Salaries and Wages	521,005.00		523,883.89		523,883.89	-	-
Other Expenses	100,000.00		100,000.00		97,162.56	2,837.44	-
Maintenance of Parks							
Salaries and Wages	174,952.00		148,952.00		146,767.17	2,184.83	-
Other Expenses	70,000.00		61,000.00		59,687.38	1,312.62	-
Beach and Boardwalk Operations							
Salaries and Wages	100,000.00		85,491.00		85,490.04	0.96	-
Other Expenses	8,000.00		11,718.00		11,717.52	0.48	-
<u>Utilities and Bulk Purchases</u>							
Utilities							
Other Expenses	500,000.00		500,000.00		488,960.59	11,039.41	-
Street Lighting							
Other Expenses	500,000.00		484,881.92		446,525.75	38,356.17	-
Gasoline							
Other Expenses	840,000.00		840,000.00		767,278.54	72,721.46	-
Fire Hydrants							
Other Expenses	150,000.00		150,000.00		140,660.90	9,339.10	-
<u>Landfill/Solid Waste</u>							
Landfill/Solid Waste Disposal Costs							
Other Expenses/Tipping	1,600,000.00		1,506,613.42		1,506,582.42	31.00	-

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 10

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<u>Code Enforcement and Administration</u>					
Other Code Enforcement Functions:					
Salaries and Wages	\$ 146,723.00	\$ 146,023.00	\$ 143,146.84	\$ 2,876.16	\$ -
Other Expenses	4,000.00	4,000.00	3,901.36	98.64	-
Total Operations within Caps	29,144,132.40	29,153,634.79	28,656,399.59	497,235.20	-
Contingent	2,000.00	2,000.00	29.55	1,970.45	-
Total Operations within Caps including Contingent	29,146,132.40	29,155,634.79	28,656,429.14	499,205.65	-
Detail:					
Salaries and Wages	15,020,358.60	14,833,462.47	14,578,536.85	254,925.62	-
Other Expenses	14,125,773.80	14,322,172.32	14,077,892.29	244,280.03	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
<u>WITHIN CAPS</u>					
<u>Deferred Charges</u>					
Prior Year Bills:					
Meridian Occupational Health PC 12/20/10	95.00	95.00	95.00	-	-
Meridian Occupational Health PC 7/12/11	95.00	95.00	95.00	-	-
Deficit in Operation	46,666.68	46,666.68	46,666.68	-	-
Overexpenditure Construction Trust Fund	46,695.38	46,695.38	46,695.38	-	-
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System	1,219,835.56	1,196,835.56	1,185,577.94	11,257.62	-
Police and Firemen's Retirement System of NJ	1,595,904.00	1,595,904.00	1,595,904.00	-	-
Public Employee Retirement System	825,770.00	825,770.00	825,770.00	-	-
Total Deferred Charges and Statutory Expenditures within Caps	3,735,061.62	3,712,061.62	3,700,804.00	11,257.62	-
Total Appropriations within Caps	32,881,194.02	32,867,696.41	32,357,233.14	510,463.27	-

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 10

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<u>OPERATIONS EXCLUDED FROM CAPS</u>					
Insurance (N.J.S.A. 40A:4-45.3(00))	\$ 141,928.00	\$ 141,928.00	\$ 141,928.00	\$ -	\$ -
Employee Group Health Insurance					
Length of Service Awards Program (N.J.A.C. 5:30-14.25)		-		-	
Other Expenses	220,000.00	220,000.00	204,347.00	15,653.00	-
Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc))					
Salaries and Wages	168,999.00	182,496.61	182,496.61	-	-
Other Expenses	60,000.00	60,000.00	59,913.28	86.72	-
Recycling Enhancement Act (P.L. 2007 c.311)					
Other Expenses	91,542.00	91,542.00	91,542.00	-	-
<u>Interlocal Municipal Service Agreements</u>					
Ocean County Health - Animal Control					
Other Expenses	35,000.00	35,000.00	1,806.00	33,194.00	-
Ocean County Social Services - Relocation Expenses					
Other Expenses	2,500.00	2,500.00	-	2,500.00	-
Fire Protection - South Toms River					
Other Expenses	26,500.00	26,500.00	26,500.00	-	-
Animal Control - Pine Beach, South Seaside Park, Ocean Gate					
Salaries and Wages	24,255.00	24,255.00	24,255.00	-	-
Berkeley Board of Education - Fuel					
Other Expenses	105,000.00	105,000.00	105,000.00	-	-
Central Regional Board of Education - Fuel					
Other Expenses	235,000.00	235,000.00	182,974.27	52,025.73	-
<u>Public and Private Programs Offset by Revenues</u>					
Body Armor Fund	15,432.07	15,432.07	15,432.07	-	-
Bullet Proof Vest Partnership 2014	13,631.62	13,631.62	13,631.62	-	-
CDBG Parking Facilities/Volunteer Community Center	33,000.00	33,000.00	33,000.00	-	-

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 8 of 10

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Clean Communities Grant	\$	\$	\$	\$	\$
Salaries and Wages	62,386.37	62,386.37	62,386.37	-	-
Other Expenses	45,000.00	45,000.00	45,000.00	-	-
Click It or Ticket	4,000.00	4,000.00	4,000.00	-	-
Drive Sober or Get Pulled Over 2014	5,000.00	5,000.00	5,000.00	-	-
Drive Sober or Get Pulled Over 2014 Holiday Grant	7,500.00	7,500.00	7,500.00	-	-
Energy Allocation Initiative	215,400.00	215,400.00	215,400.00	-	-
Homeland Security Grant - FY 2013	40,500.00	40,500.00	40,500.00	-	-
Homeland Security Grant - FY 2014	33,066.00	33,066.00	33,066.00	-	-
Municipal Alliance - 2014	7,213.00	7,213.00	7,213.00	-	-
Municipal Alliance Grant - Municipal Share					
Salaries and Wages	3,750.00	3,750.00	3,750.00	-	-
Municipal Alliance Grant - Municipal Share					
Salaries and Wages	7,779.12	7,779.12	7,779.12	-	-
Municipal Alliance Grant - Municipal Share (Fiscal Year)					
Salaries and Wages	5,045.70	5,045.70	5,045.70	-	-
Other Expenses	28,592.30	28,592.30	28,592.30	-	-
Municipal Alliance Grant - State Share (Transition Year)					
Salaries and Wages	9,409.00	9,409.00	9,409.00	-	-
Other Expenses	5,600.29	5,600.29	5,600.29	-	-
NJ 966 Reimbursement Program	31,174.85	31,174.85	31,174.85	-	-
NJ DEP Mini Grant-Cedar Creek Fish Project	16,000.00	16,000.00	16,000.00	-	-
NJ Division of Highway Safety	4,400.00	4,400.00	4,400.00	-	-
Ocean County EUM FY 12	5,000.00	5,000.00	5,000.00	-	-
Post Sandy Planning Assistance Grant	303,000.00	303,000.00	303,000.00	-	-
Total Operations excluded from Caps	2,012,604.32	2,026,101.93	1,922,642.48	103,459.45	-
Detail:					
Salaries and Wages	281,624.19	295,121.80	282,296.98	-	-
Other Expenses	1,730,980.13	1,730,980.13	1,640,345.50	103,459.45	-

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 9 of 10

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
Capital Improvement Fund	\$ 320,000.00	\$ 320,000.00	\$ 320,000.00	\$ -	\$ -
New Jersey DOT Trust Fund Authority Act	200,000.00	200,000.00	200,000.00	-	-
Total Capital Improvements excluded from Caps	<u>520,000.00</u>	<u>520,000.00</u>	<u>520,000.00</u>	<u>-</u>	<u>-</u>
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>					
Payment of Bond Principal	3,125,000.00	3,125,000.00	2,374,965.44	-	750,034.56
Interest on Bonds	846,668.75	846,668.75	843,526.25	-	3,142.50
Interest on Notes	45,952.00	45,952.00	45,952.00	-	-
NJEIT					
Loan Repayments for Principal and Interest	135,369.44	135,369.44	118,602.41	-	16,767.03
Total Municipal Debt Service excluded from Caps	<u>4,152,990.19</u>	<u>4,152,990.19</u>	<u>3,383,046.10</u>	<u>-</u>	<u>769,944.09</u>
<u>DEFERRED CHARGES EXCLUDED FROM CAPS</u>					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	1,200,000.00	1,200,000.00	1,200,000.00	-	-
Special Emergency Authorizations - From 2011	87,026.90	87,026.90	87,026.90	-	-
Special Emergency Authorizations - From 2012	51,339.10	51,339.10	51,339.10	-	-
Special Emergency Authorizations - From 2013	89,389.71	89,389.71	89,389.71	-	-
Total Deferred Charges excluded from Caps	<u>1,427,755.71</u>	<u>1,427,755.71</u>	<u>1,427,755.71</u>	<u>-</u>	<u>-</u>
Total General Appropriations excluded from Caps	<u>8,113,350.22</u>	<u>8,126,847.83</u>	<u>7,253,444.29</u>	<u>103,459.45</u>	<u>769,944.09</u>

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 10 of 10

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Subtotal General Appropriations	\$ 40,994,544.24	\$ 40,994,544.24	\$ 39,610,677.43	\$ 613,922.72	\$ 769,944.09
Reserve for Uncollected Taxes	3,139,939.33	3,139,939.33	3,139,939.33	-	-
Total General Appropriations	\$ 44,134,483.57	\$ 44,134,483.57	\$ 42,750,616.76	\$ 613,922.72	\$ 769,944.09
Adopted Budget		\$ 43,215,644.95			
Appropriations added by 40A:4-87		676,811.82			
Special Emergency Authorizations		242,026.80			
		\$ 44,134,483.57			
Reserve for:					
Encumbrances			\$ 249,420.97		
Uncollected Taxes			3,139,939.33		
Disbursements			36,542,926.95		
Special Emergency Authorization:					
Reserve for Contractually Required Severance			242,026.80		
Deferred Charges Raised:					
Special Emergency Appropriations			1,427,755.71		
Deficit in Operation			46,666.68		
Interfund - Grant Fund			1,101,880.32		
			\$ 42,750,616.76		

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,

RESERVES AND FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 74,491.98	\$ 84,702.59
<u>Other Trust Fund</u>			
Cash	B-1	7,494,191.27	7,820,392.05
Due From Regional School District	B-5	-	20,000.00
Interfund - Current Fund	B-4	-	106,500.64
Deficit in Reserve for Construction Code	B-1	-	46,695.38
		<u>7,494,191.27</u>	<u>7,993,588.07</u>
Length of Service Awards Program Fund (LOSAP) - Unaudited:			
Funds Held by Trustee	B-7	<u>1,725,024.56</u>	<u>1,691,740.62</u>
		<u>\$ 9,293,707.81</u>	<u>\$ 9,770,031.28</u>
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Reserve for Animal Control Trust Fund	B-2	\$ 73,018.60	\$ 73,018.60
Due to State of New Jersey	B-3	-	35.40
Interfund - Current Fund	B-2, A	<u>1,473.38</u>	<u>11,648.59</u>
		<u>74,491.98</u>	<u>84,702.59</u>
<u>Other Trust Fund</u>			
Interfund - Current Fund	B-4	42,744.70	-
Due to State of New Jersey		675.00	25,579.00
Reserve for:			
Miscellaneous Reserves	B-5	6,678,907.56	7,199,871.37
Open Space	B-6	<u>771,864.01</u>	<u>768,137.70</u>
		<u>7,494,191.27</u>	<u>7,993,588.07</u>
Length of Service Awards Program Fund (LOSAP) - Unaudited:			
Funds Held by Trustee	B-7	<u>1,725,024.56</u>	<u>1,691,740.62</u>
		<u>\$ 9,293,707.81</u>	<u>\$ 9,770,031.28</u>

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

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS**

DECEMBER 31, 2014 AND 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	C-1	\$ 4,995,609.85	\$ 791,143.11
Deferred Charges to Future Taxation:			
Funded	C-3	26,564,719.77	29,085,423.35
Unfunded	C-4	13,358,282.50	7,257,924.00
Interfund - Current Fund	C-1	-	22,108.49
Grants Receivable	C-6	668,500.42	1,132,551.92
		<u>\$ 45,587,112.54</u>	<u>\$ 38,289,150.87</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-5	\$ 19,756.47	\$ 20,827.97
Reserve for Debt Service	C-1	70,629.00	-
Improvement Authorizations:			
Funded	C-7	320,904.91	399,831.42
Unfunded	C-7	3,827,840.73	5,517,119.26
Reserve for Encumbrances	C-7	3,373,333.66	2,405,044.87
Bond Anticipation Notes	C-11	11,409,928.00	-
Environmental Infrastructure Trust Fund Loans	C-8	2,021,155.46	2,197,659.00
Serial Bonds	C-9	23,737,000.00	26,862,000.00
Green Trust Loan Payable	C-10	806,564.31	886,668.35
		<u>\$ 45,587,112.54</u>	<u>\$ 38,289,150.87</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$1,948,354.50 and \$7,257,924.00, respectively (Schedule C-12).

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

PAYROLL FUND

Exhibit G

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash	\$ <u>155,714.83</u>	\$ <u>252,426.12</u>
<u>Liabilities</u>		
Interfund Payable - Current Fund	\$ 13,260.14	\$ 68,940.53
Payroll Deductions Payable	<u>142,454.69</u>	<u>183,485.59</u>
	\$ <u>155,714.83</u>	\$ <u>252,426.12</u>

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

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit H

COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES

REGULATORY BASIS

DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land	\$ 6,531,802.00	\$ 6,531,802.00
Buildings and Improvements	7,625,923.00	7,625,923.00
Machinery and Equipment	<u>26,691,148.83</u>	<u>25,256,494.72</u>
	<u>\$ 40,848,873.83</u>	<u>\$ 39,414,219.72</u>
Investment in General Fixed Assets	<u>\$ 40,848,873.83</u>	<u>\$ 39,414,219.72</u>

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

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Township of Berkeley, County of Ocean, New Jersey (the "Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The financial statements of the Berkeley Township Sewerage Authority and Berkeley Township Municipal Utilities Authority are reported separately.

B. Descriptions of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

Current Fund - revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Trust Fund - animal control license revenues and expenditures.

Other Trust Fund - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Payroll Fund - receipt and disbursement for payroll costs and payroll taxes.

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

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Deferred Charges - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2014 is set forth in Note 9.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The compensated absence liability at December 31, 2014 is set forth in Note 4.

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Interfunds - advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

General Fixed Assets - In accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Township has developed a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued)

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

During 2014 and 2013 the following changes occurred in the fixed assets of the Township:

	<u>Balance</u> <u>Jan. 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
General Fixed Assets Account Group:				
Land	\$ 6,531,802.00	\$	\$	\$ 6,531,802.00
Improvements	7,625,923.00			7,625,923.00
Machinery and Equipment	<u>25,256,494.72</u>	<u>1,509,054.11</u>	<u>74,400.00</u>	<u>26,691,148.83</u>
	<u>\$ 39,414,219.72</u>	<u>\$ 1,509,054.11</u>	<u>\$ 74,400.00</u>	<u>\$ 40,848,873.83</u>
	<u>Balance</u> <u>Jan. 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Fixed Assets Account Group:				
Land	\$ 6,531,802.00	\$	\$	\$ 6,531,802.00
Improvements	7,625,923.00			7,625,923.00
Machinery and Equipment	<u>25,284,436.00</u>	<u>1,384,749.72</u>	<u>1,412,691.00</u>	<u>25,256,494.72</u>
	<u>\$ 39,442,161.00</u>	<u>\$ 1,384,749.72</u>	<u>\$ 1,412,691.00</u>	<u>\$ 39,414,219.72</u>

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Township presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division in accordance with applicable statutes.

F. Subsequent Events

The Township has evaluated subsequent events through July 2, 2015, the date the financial statements were available to be issued. See Note 19 for more information.

NOTE 2. CASH AND CASH EQUIVALENTS

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

At year-end the carrying amount of the Township's deposits was \$17,984,598 and the bank balance amount was \$19,145,944. Of this amount \$456,753 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$16,215,698. An amount of \$2,473,493 was on deposit in the name of various developers for escrow and is insured by federal depository insurance or uninsured depending on the deposits of the individual developer in the depository.

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Township:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

- a. (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.

- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute up to one twentieth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

D. Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2014</u>	<u>2013</u>
Insured:		
FDIC	\$ 456,753	\$ 464,458
GUDPA	16,215,698	14,252,332
Various Escrows	<u>2,473,493</u>	<u>1,980,756</u>
	\$ <u>19,145,944</u>	\$ <u>16,697,546</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

NOTE 3. DEBT**SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued and Outstanding</u>			
General:			
Bonds, Notes and Loans	\$ 37,974,647	\$ 29,946,327	\$ 33,456,528
Less Deductions:			
Reserve for Debt Service	70,629		
Open Space Trust	<u>916,072</u>	<u>981,706</u>	<u>1,048,301</u>
Net Debt Issued	<u>36,987,946</u>	<u>28,964,621</u>	<u>32,408,227</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>1,948,355</u>	<u>7,257,924</u>	<u>1,465,020</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 38,936,301</u>	<u>\$ 36,222,545</u>	<u>\$ 33,873,247</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 0.75%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 13,025,000	\$ 13,025,000	\$ -0-
Regional School District Debt	4,251,695	4,251,695	-0-
General Debt	<u>39,923,002</u>	<u>986,701</u>	<u>38,936,301</u>
	<u>\$ 57,991,697</u>	<u>\$ 18,263,396</u>	<u>\$ 38,936,301</u>

Net Debt \$38,936,301 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$5,153,365,722 = 0.75%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 180,367,800
Net Debt	<u>38,936,301</u>
Remaining Borrowing Power	<u>\$ 141,431,499</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note

NOTE 3. DEBT (CONTINUED)

a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

The Township's long-term debt is summarized as follows:

General Capital Fund

\$8,103,000 2004 Bonds due in annual installments ranging from \$690,000 to \$973,000 through 2015 at interest rates ranging from 4.00% to 4.25%	\$ 973,000
\$9,384,000 2006 Bonds due in annual installments ranging from \$719,000 to \$720,000 through 2020 at interest rates ranging from 4.00% to 4.50%	4,319,000
\$12,745,000 2010 Bonds due in annual installments ranging from \$500,000 to \$995,000 through 2024 at interest rates ranging from 3.00% to 4.00%	9,545,000
\$9,950,000 2012 Bonds due in annual installments ranging from \$525,000 to \$1,050,000 through 2023 at interest rates ranging from 2.125% to 3.00%	<u>8,900,000</u>
	<u>\$ 23,737,000</u>

The bonds mature serially in installments to the year 2024. Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 3,168,000	\$ 793,769	\$ 3,961,769
2016	2,695,000	633,630	3,328,630
2017	2,720,000	531,292	3,251,292
2018	2,720,000	449,393	3,169,393
2019	2,720,000	366,305	3,086,305
2020-2024	<u>9,714,000</u>	<u>731,486</u>	<u>10,445,486</u>
	<u>\$ 23,737,000</u>	<u>\$ 3,505,875</u>	<u>\$ 27,242,875</u>

Green Trust Loan Programs

During 2001, the Township closed on a Green Trust Loan in the sum of \$185,825 for the Berkeley Recreation Acquisition at an interest rate of 2%. Additionally, during 2001, the Township received proceeds from a Green Trust Loan in the amount of \$409,630 for Veterans' Park Driving Range, at an interest rate of 2%. On December 19, 2007, the Township closed on a Green Trust Loan in the sum of \$500,000 for the Toms River Park at an interest rate of 2%. On May 19, 2008, the Township closed on a Green Trust Loan in the sum of \$289,203 for Toms River Park Phase II at an interest rate of 2%

NOTE 3. DEBT (CONTINUED)**A. Long-Term Debt (Continued)**

Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 81,714	\$ 15,725	\$ 97,439
2016	83,357	14,082	97,439
2017	85,032	12,407	97,439
2018	72,669	10,768	83,437
2019	74,130	9,307	83,437
2020-24	272,088	27,174	299,262
2025-28	<u>137,574</u>	<u>4,614</u>	<u>142,188</u>
	<u>\$ 806,564</u>	<u>\$ 94,077</u>	<u>\$ 900,641</u>

Environmental Infrastructure Trust Fund Loans

During 2007, the Township entered into loan agreements funded by the New Jersey Environmental Trust in the amount of \$1,320,000 for Potters Creek. \$345,000 was funded by a trust loan with interest rates ranging from 3.40% to 5.00%. The remaining \$975,000 was funded by a fund loan with 0.00% interest. The loan matures in 2027.

During 2008, the Township entered into loan agreements funded by the New Jersey Environmental Trust in the amount of \$814,303 for storm water management, roadway and drainage improvements. \$405,000 was funded by a trust loan with interest rates ranging from 5.00% to 5.50%. The remaining \$409,303 was funded by a fund loan with 0.00% interest. The loan matures in 2021.

During 2010 the Township entered into a loan agreement funded by the New Jersey Environmental Trust in the amount of \$1,005,700 for storm water management. \$250,000 will be funded by a trust loan with interest rates ranging from 3.845% to 4.25%. The remaining \$755,700 will be funded by an interest free fund loan. The loan is payable in installments commencing August 1, 2011 and maturing on August 1, 2029.

Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>
2015	\$ 123,024	\$ 60,000	\$ 34,638
2016	120,398	60,000	31,638
2017	117,771	60,000	28,638
2018	124,292	65,000	25,638
2019	124,792	70,000	22,388
2020-2024	488,416	265,000	64,013
2025-2029	231,972	160,000	17,210
Deobligation	<u> </u>	<u>(49,510)</u>	<u> </u>
	<u>\$ 1,330,665</u>	<u>\$ 690,490</u>	<u>\$ 224,163</u>

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

A deobligation of undisbursed loan proceeds occurred in 2013. Revised amortization schedules were not made available to the Township.

B. Short-Term Debt

On December 31, 2014, the Township's outstanding bond anticipation notes were as follows:

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
12-14	Various Capital Improvements	\$ 1,132,904	1.50%
13-26	Various Capital Improvements	4,376,666	1.50%
14-03	Various Capital Improvements	<u>5,900,358</u>	1.50%
		\$ <u>11,409,928</u>	

C. Bonds and Notes Authorized but not Issued

At December 31 the Township had authorized but not issued bonds and notes as follows:

	<u>2014</u>	<u>2013</u>
General Capital Fund	\$ 1,948,355	\$ 7,257,924

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2014 was 0.74%. The Township's remaining borrowing power is 2.76%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

E. Summary of Long-Term Obligations

During 2014 and 2013 the following changes occurred in the long-term obligations of the Township:

NOTE 3. DEBT (CONTINUED)

	Balance Jan. 1, 2014	Issued	Retired	Balance Dec. 31, 2014	Due Within One Year
Current Fund:					
Special Emergency Notes	\$ 4,800,000	\$ 3,600,000	\$ 4,800,000	\$ 3,600,000	\$ 3,600,000
General Capital:					
Serial Bonds	26,862,000	-	3,125,000	23,737,000	3,168,000
Bond Anticipation Notes	-	11,409,928	-	11,409,928	11,409,928
Green Trust Loans	886,668	-	80,104	806,564	81,714
NJEIT Loans	2,197,659	-	176,504	2,021,155	183,024
Other:					
Accumulated Absences	3,057,644	-	213,746	2,843,898	-
	<u>\$ 37,803,971</u>	<u>\$ 15,009,928</u>	<u>\$ 8,395,354</u>	<u>\$ 44,418,545</u>	<u>\$ 18,442,666</u>

	Balance Jan. 1, 2013	Issued	Retired	Balance Dec. 31, 2013	Due Within One Year
Current Fund:					
Special Emergency Notes	\$ -	\$ 4,800,000	\$ -	\$ 4,800,000	\$ 4,800,000
General Capital:					
Serial Bonds	29,937,000	-	3,075,000	26,862,000	3,125,000
Green Trust Loans	965,194	-	78,526	886,668	80,104
NJEIT Loans	2,554,334	-	356,675	2,197,659	176,504
Other:					
Accumulated Absences	3,678,132	-	620,488	3,057,644	-
	<u>\$ 37,134,660</u>	<u>\$ 4,800,000</u>	<u>\$ 4,130,689</u>	<u>\$ 37,803,971</u>	<u>\$ 8,181,608</u>

NOTE 4. ACCRUED SICK AND VACATION BENEFITS

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 Township's liability related to unused vacation and sick pay. The Township permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$2,843,898 and \$3,057,644 at December 31, 2014 and 2013, respectively. A reserve is maintained in the Other Trust Fund and had no balance as of December 31, 2014. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5. FUND BALANCES APPROPRIATED

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the municipal budget for the year ending December 31 of the succeeding years are as follows:

	<u>2014</u>	<u>2013</u>
Current Fund	\$ 800,000 *	\$ 1,330,000

* Introduced

NOTE 5. FUND BALANCES APPROPRIATED (CONTINUED)**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance</u>	<u>Utilized in</u>
<u>Current Fund</u>	<u>December 31</u>	<u>Budget of</u>
		<u>Succeeding Year</u>
2014	\$ 1,753,008	\$ 800,000 *
2013	2,373,336	1,330,000
2012	10,145	-0-
2011	10,145	61,646
2010	1,100,145	1,090,000

* Introduced

NOTE 6. TAXES COLLECTED IN ADVANCE

Taxes collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance December 31</u>	
	<u>2014</u>	<u>2013</u>
Prepaid Taxes	\$ 1,097,012	\$ 1,019,592

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	\$ <u>1.955</u>	\$ <u>1.907</u>	\$ <u>1.862</u>
Apportionment of Tax Rate			
Municipal	.600	.557	.523
Municipal Open Space	.010	.010	.009
County	.395	.392	.379
Local School District	.555	.554	.553
Regional School District	.383	.382	.384
County Open Space	.012	.012	.014
Assessed Valuation			
2014	\$ 5,094,011,422		
2013		\$ 5,097,672,879	
2012			\$ 5,120,333,460

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONTINUED)**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2014	\$ 99,811,146	\$ 96,457,125	96.63%
2013	97,466,281	94,388,858	96.84%
2012	95,340,610	91,663,837	96.14%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$ 678,807	\$ 3,056,369	\$ 3,735,176	3.74%
2013	592,522	2,757,789	3,350,311	3.44%
2012	461,551	3,267,100	3,728,651	3.91%

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Regional School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13th.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Township establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Required to</u> <u>be Raised as</u> <u>2015 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Years</u>
Current Fund:			
Special Emergency Authorizations (N.J.S. 40A:4-55):			
2011 Contractually Required Severance Liabilities	\$ 172,063	\$ 87,030	\$ 85,033
2012 Contractually Required Severance Liabilities	154,017	51,339	102,678
Superstorm Sandy	3,600,000	1,200,000	2,400,000
2013 Contractually Required Severance Liabilities	357,559	89,390	268,169
2014 Contractually Required Severance Liabilities	<u>242,027</u>	<u>48,405</u>	<u>193,622</u>
	\$ <u>4,525,666</u>	\$ <u>1,476,164</u>	\$ <u>3,049,502</u>

The Current Fund has a 0.74% emergency note outstanding at December 31, 2014 in the amount of \$3,600,000 for expenses related to Superstorm Sandy. The note is required to be repaid at a minimum amount of 20% of the original emergency per year or a maximum of five years.

NOTE 10. PENSION PLANS

Substantially all of the Township's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits ("the Division"): the Police and Firemen's Retirement System ("the PFRS"), the Public Employees' Retirement System ("the PERS") or the Defined Contribution Retirement Program ("the DCRP"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Public Employees' Retirement System (PERS)

The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was **NOTE**

10. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (CONTINUED)

increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Police and Firemen's Retirement System (PFRS)

The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Defined Contribution Retirement Program (DCRP)

The DCRP was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Division. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by State statute. Plan members are required to contribute 5.5% of their annual covered salary and the Township is required to contribute 3% of the annual salary. The employee contributions along with the Township's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were 10 Township employees enrolled in the DCRP for the years ended December 31, 2014, 2013, and 2012. Employer DCRP contribution amounts were not available.

Other Information

The Township's contributions, equal to the required contribution for each fiscal year, were as follows:

NOTE 10. PENSION PLANS (CONTINUED)**Other Information (Continued)**

	2014		2013		2012	
	PERS	PFRS	PERS	PFRS	PERS	PFRS
Normal Contribution	\$ 78,415	\$ 450,999	\$ 227,967	\$ 718,155	\$ 252,203	\$ 722,307
Accrued Liability	344,759	591,965	545,074	908,196	504,406	779,856
Total Regular Pension Contribution	423,174	1,042,964	773,041	1,626,351	756,609	1,502,163
Non-Contributory Group Life Insurance	7,197	43,588	46,009	68,855	48,205	56,331
Chapter 19, P.L. 2009 Deferred Contribution	18,027	37,099	38,796	113,542	38,298	112,720
Total Due	\$ 448,398	\$ 1,123,651	\$ 857,846	\$ 1,808,748	\$ 843,112	\$ 1,671,214

The Division does not invest in securities issued by the Township.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS**Plan Description**

The Township contributes to the State Health Benefits Program (“SHBP”), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1990, the Township authorized participation in the SHBP’s post-retirement benefit program through Resolution Number 89-256. The Township adopted the provisions of Chapter 88, P.L. 1974 that provides medical benefits to any employee who has over 25 years of pension service credit.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**Funding Policy (Continued)**

The Township contributions to SHBP for the years ended December 31, 2014, 2013 and 2012 were \$1,895,558, \$1,729,084 and \$1,480,246, respectively, which equaled the required contributions for each year. There were approximately 116, 107 and 103 retired participants eligible at December 31, 2014, 2013 and 2012, respectively.

NOTE 12. RISK MANAGEMENT

The Township 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. The Township is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Township pays an actuarially determined annual assessment to Garden State Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Township has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 13. SCHOOL TAXES

Local District School and Regional School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

	<u>Local District School Tax</u>		<u>Regional School Tax</u>	
	<u>Balance December 31</u>		<u>Balance December 31</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Balance of Tax	\$ 13,463,958	\$ 13,671,002	\$ 9,047,099	\$ 9,048,596
Deferred	<u>13,463,958</u>	<u>13,671,002</u>	<u>9,047,099</u>	<u>9,048,596</u>
Tax Payable	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

NOTE 14. CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Township 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 financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2014, the Township estimates that no material liabilities will result from such audits.

Major Tax Assessments

It was noted that there were no assessments in excess of 1% of the total assessed valuation during the 2014 year.

Pending Litigation

It is the opinion of the Township officials that there is no litigation threatened or pending that would materially affect the financial position of the Township or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The Township officials believe that negligence and other types of liability suits, of which the Township is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2014:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 157,765	\$
Grant Fund		100,287
Animal Control Trust Fund		1,473
Trust Other Fund		42,745
Payroll Fund	_____	<u>13,260</u>
	<u>\$ 157,765</u>	<u>\$ 157,765</u>

Interfund balances remaining at year-end were primarily caused by the Grant Fund not having a separate bank account and temporary short-term advances between funds.

NOTE 16. LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) - UNAUDITED

The Township has established a Volunteer Length of Service Award Plan (“LOSAP”) (“Plan”) to ensure retention of the Township’s volunteer firefighters and volunteer members of emergency service squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a length of service award plan under Section 457(e)11 of the Internal Revenue Code”.

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150 per year of active emergency service, commencing with the year 2002.

Appropriations - Appropriations for the purpose of funding the Township’s LOSAP shall be included as a separate line item in the Township’s budget, commencing with the year 2002.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall be subject to periodic increases based upon the “consumer price index factor” pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member’s performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Council for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Township Council as to such active member’s eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

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

NOTE 17. SERVICE CONTRACT - UTILITY AUTHORITIES

The Township adopted an ordinance on April 19, 1961 providing a service contract between the Township and the Berkeley Township Sewerage Authority and also adopted an ordinance on February 16, 1988 providing a service contract between the Township and the Berkeley Township Utilities Authority. The contracts, among other things, obligates the Township to pay to the Authorities such sums of money as may be necessary to provide for deficits which result from failure of the Authorities to provide adequate revenues from their operations.

NOTE 18. FEMA COMMUNITY DISASTER LOAN

On May 21, 2013, the Township submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$5,000,000 in relation to Super Storm Sandy losses and expenditures. The Township drew down \$5,000,000 of the total amount in October 2013. The Township's accrued interest at December 31, 2014 and 2013 is \$61,096.00 and 11,232.88, respectively.

The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed, in this case May 30, 2013. The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and unreimbursed disaster related operating expenses.

The funds were recognized as revenue for the year ended December 31, 2013 in the Current Fund.

NOTE 19. SUBSEQUENT EVENTS

Residents of South Seaside Park have filed a petition with the Township's Planning Board to begin the de-annexation process from the Township of Berkeley. The matter is being heard before the Township's Planning Board and as of the date of this report, hearings are ongoing and no determination has been made.

On January 12, 2015 the Township adopted an ordinance appropriating \$6,569,450 for various capital improvements and the acquisition of various capital equipment and authorizing the issuance of \$6,240,978 in general improvement bonds or notes to finance same.

On March 9, 2015, the Township adopted an ordinance authorizing the refunding of outstanding bonds for an amount not to exceed \$3,250,000.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

Balance December 31, 2013	A	\$	6,435,422.09
Increased by Receipts:			
Prepaid Taxes	\$	1,097,011.99	
Tax Overpayments		231,729.28	
State of New Jersey (Ch. 20, P.L. 1971)		1,767,279.06	
Miscellaneous Revenue not Anticipated		234,632.50	
Special Emergency Note Payable		3,600,000.00	
Sales Tax Payable		9,475.27	
Taxes Receivable		96,234,780.50	
Tax Title Liens Receivable		148,002.94	
Revenue Accounts Receivable		7,800,006.87	
Due to Municipal Utility Authority		215,050.68	
Note Sale Premiums		51,665.00	
Interfunds:			
Grant Fund		307,876.09	
Other		417,465.96	
			<u>112,114,976.14</u>
			118,550,398.23
Decreased by Disbursements:			
Tax Overpayments Refunded		207,594.49	
Due to Municipal Utility Authority		218,937.61	
Special Emergency Note Payable		4,800,000.00	
Accounts Payable		140,149.59	
Sales Tax Payable		9,805.98	
Budget Appropriations		36,542,926.95	
Appropriation Reserves		539,972.53	
County Taxes Payable		20,828,214.47	
Regional School Tax		19,518,100.88	
Local School District Tax		28,459,405.00	
Open Space Tax		510,650.13	
Spending Reserves		792,394.33	
Change Fund		10.00	
Interfunds:			
Grant Fund		242,170.74	
Other		521,490.81	
			<u>113,331,823.51</u>
Balance December 31, 2014	A	\$	<u><u>5,218,574.72</u></u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-5

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2013	2014 Levy	Added Amounts	2014	2013	Due from State	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2014
2011 & Prior	\$ 15,653.77	\$ -	\$ 47,750.00	\$ 48,095.28	\$ -	\$ -	\$ -	9,267.72	\$ 6,040.77
2012	109,168.39	-	447.71	81,850.57	22,902.54	-	-	3,188.37	1,674.62
2013	2,632,966.72	20,512.17	84,821.01	2,517,471.38	122,937.04	-	52,639.14	10,737.31	34,515.03
	2,757,788.88	20,512.17	133,018.72	2,647,417.23	145,839.58	-	52,639.14	23,193.40	42,230.42
2014		99,811,146.38	26,786.96	93,587,363.27	1,019,592.25	1,850,169.30	161,968.66	204,700.94	3,014,138.92
	\$ 2,757,788.88	\$ 99,831,658.55	\$ 159,805.68	\$ 96,234,780.50	\$ 1,165,431.83	\$ 1,850,169.30	\$ 214,607.80	\$ 227,894.34	\$ 3,056,369.34

Analysis of 2014 Property Tax Yield and Tax Levy

Tax Yield:		
General Purpose Tax	\$ 99,587,985.69	
Added and Omitted Taxes	243,672.86	\$ 99,831,658.55
Tax Levy:		
Local District School Tax (Abstract)		\$ 28,252,361.00
Regional School Tax (Abstract)		19,516,604.00
County Taxes:		
County Tax (Abstract)	\$ 17,472,611.22	
County Library Tax (Abstract)	1,947,435.60	
County Health Tax (Abstract)	700,321.39	
County Open Space Tax (Abstract)	613,860.08	
Due County for Added and Omitted Taxes	50,804.21	
Total County Taxes		20,785,032.50
Local Open Space Tax	510,650.13	
Local Tax for Municipal Purposes	30,557,734.84	
Add: Additional Tax Levied	209,276.08	
	31,277,661.05	\$ 99,831,658.55

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-6

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2013		\$ 592,522.16
Increased by:		
Transfers from Taxes Receivable	\$ 214,607.80	
Interest and Costs Accrued at Tax Sale	9,441.23	
Added	<u>10,238.54</u>	
		<u>234,287.57</u>
		826,809.73
Decreased by:		
Receipts		<u>148,002.94</u>
Balance December 31, 2014		<u><u>\$ 678,806.79</u></u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-7

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Sheet 1 of 2

	<u>Balance Dec. 31, 2013</u>	<u>Accrued in 2014</u>	<u>Collections</u>	<u>Balance Dec. 31, 2014</u>
Licenses:				
Alcoholic Beverages	\$	\$ 45,876.00	\$ 45,876.00	\$ -
Other	-	4,189.00	4,189.00	-
Fees and Permits	-	337,613.77	337,613.77	-
Fines and Costs:	-			
Municipal Court	16,848.15	233,190.94	233,405.22	16,633.87
Interest and Costs on Taxes	-	535,281.85	535,281.85	-
Interest on Investments and Deposits	-	5,963.16	5,963.16	-
Beach Admission Fees	-	89,577.00	89,577.00	-
Municipal Golf Course	-	626,712.64	626,712.64	-
Berkeley Township Board of Education - Trash	-	202,625.34	202,625.34	-
Water and Cable Franchise Fees	-	26,287.88	26,287.88	-
Hotel and Motel Occupancy Tax	-	25,500.00	25,500.00	-
Central Regional Board of Education - Trash	-			
State Aid:				
Energy Receipts Tax	-	4,213,875.00	4,213,875.00	-
Garden State Trust Fund	-	42,590.00	42,590.00	-
Interlocal Services Agreements:				
Animal Control Services	-	18,351.30	18,351.30	-
Berkeley Board of Education Fuel Facilities	-	111,749.48	111,749.48	-
Central Regional Board of Education Fuel Facilities	-	205,358.85	205,358.85	-
Fire Protection	-	26,500.00	26,500.00	-
FEMA Reimbursement - Hurricane Sandy Event	-	22,722.08	22,722.08	-
Health Care Coverage - Employee Percentage	-	267,260.18	267,260.18	-
Sale of Fixed Assets	-	47,136.54	47,136.54	-
Ocean County Recycling Revenue Sharing Program	-	45,247.22	45,247.22	-
Refuge Revenue Sharing Act	-	948.00	948.00	-
Capital Fund Reserve for Cash	-	110,869.44	110,869.44	-

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-7

Sheet 2 of 2

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Ref.	Balance Dec. 31, 2013	Accrued in 2014	Collections	Balance Dec. 31, 2014
Other Special Items (Continued):				
Senior/Veteran Administration Fee	\$ -	\$ 35,345.58	\$ 35,345.58	\$ -
Surplus from the Berkeley Township Municipal Utility Authority	-	81,786.00	81,786.00	-
Surplus from the Berkeley Township Sewer Authority	-	410,000.00	410,000.00	-
Uniform Fire Safety Act	-	27,235.34	27,235.34	-
	<u>\$ 16,848.15</u>	<u>\$ 7,799,792.59</u>	<u>\$ 7,800,006.87</u>	<u>\$ 16,633.87</u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-8

SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55

Date Authorized	Improvement Description	Net Amount Authorized	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2013	2014 Authorization	2014 Budget Appropriation	Balance Dec. 31, 2014
11/14/2011	Contractually Required Severance	\$ 435,149.52	\$ 87,029.90	\$ 87,029.90	\$ 259,089.71	\$ -	\$ 87,026.90	\$ 172,062.81
12/11/2012	Contractually Required Severance	256,695.52	51,339.10	51,339.10	205,356.42	-	51,339.10	154,017.32
12/31/2012	Superstorm Sandy	6,000,000.00	1,200,000.00	1,200,000.00	4,800,000.00	-	1,200,000.00	3,600,000.00
12/30/2013	Contractually Required Severance	446,948.55	89,389.71	89,389.71	446,948.55	-	89,389.71	357,558.84
11/24/2014	Contractually Required Severance	242,026.80	48,405.36	48,405.36	-	242,026.80	-	242,026.80
					\$ 5,711,394.68	\$ 242,026.80	\$ 1,427,755.71	\$ 4,525,665.77

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF APPROPRIATION RESERVES

Sheet 1 of 5

OPERATIONS WITHIN CAPS

General Government Functions

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
General Administration	\$ 1,092.77	\$ -	\$ 1,092.77	\$ 100.00	\$ 992.77
Salaries and Wages	9.96	2,838.90	2,848.86	920.62	1,928.24
Other Expenses					
Human Resources					
Salaries and Wages	3.06	-	3.06	-	3.06
Other Expenses	2.58	-	2.58	-	2.58
Office of the Mayor					
Salaries and Wages	0.08	-	0.08	-	0.08
Other Expenses	17.42	-	17.42	17.42	-
Township Council					
Salaries and Wages	0.44	-	0.44	-	0.44
Other Expenses	140.00	370.00	510.00	500.18	9.82
Municipal Clerk					
Salaries and Wages	741.26	-	-	-	-
Other Expenses		20,027.12	19,862.60	19,862.60	-
Financial Administration					
Salaries and Wages	2,078.09	-	2,078.09	-	2,078.09
Other Expenses	1,575.28	110.00	625.05	625.05	-
Revenue Administration (Tax Collection)					
Other Expenses	793.69	23,781.02	24,620.26	24,460.26	160.00
Tax Assessment Administration					
Other Expenses	1,312.47	48.00	168.00	168.00	-
Legal Services					
Other Expenses	21,359.47	2,354.44	38,100.11	38,100.11	-
Municipal Court:					
Salaries and Wages	3,365.88	-	3,365.88	-	3,365.88
Other Expenses	1,186.69	1,169.60	2,356.29	1,491.72	864.57
Public Defender (P.L. 1997, c256)					
Other Expenses	2,145.00	-	4,732.50	2,000.00	2,732.50
Engineering Services					
Other Expenses	2,931.28	7.36	34,803.00	34,802.38	0.62

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 5

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Land Use Administration</u>					
Planning Board / Director of Planning					
Other Expenses	\$ 199.15	\$ 10,773.75	\$ 10,773.75	\$ 4,287.88	\$ 6,485.87
Planning Board					
Salaries and Wages	1,200.26	-	-		-
Other Expenses	48.41	-	1,196.00	1,196.00	-
Division of Zoning					
Salaries and Wages	512.76	-	-		-
Other Expenses	932.57	83.25	83.25	28.63	54.62
Zoning Board of Adjustment					
Salaries and Wages	0.26	-	0.26		0.26
Other Expenses	401.05	2,081.00	2,226.00	1,686.00	540.00
<u>Insurances</u>					
General Liability	32,916.00	-	-	-	-
Workers Compensation	60,359.17	-	-	-	-
<u>Public Safety Functions</u>					
Police Department					
Salaries and Wages	-	6,800.00	6,800.00	6,800.00	-
Other Expenses	2.93	83,454.00	81,589.55	80,947.34	642.21
Emergency Management			-		
Salaries and Wages	488.48	-	-	-	-
Other Expenses	344.30	850.00	891.06	891.06	-
Aid to Volunteer Fire Companies					
Other Expenses	27.40	23,745.32	23,732.86	21,654.51	2,078.35
Fire Department					
Other Expenses	2,719.44	-	-	-	-
Municipal Prosecutor:					
Other Expenses	-	5.00	2,587.50	2,587.50	-

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 5

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Public Works Functions</u>					
Streets and Roads Maintenance:					
Salaries and Wages	\$ 4,205.31	\$ -	\$ -	\$ -	\$ -
Other Expenses	142.27	50,590.38	50,732.65	38,728.01	12,004.64
Contractual	-	7,723.00	7,723.00	7,132.22	590.78
Other Public Works Functions/ Signs, Maintenance					
Salaries and Wages	1,730.08	-	-	-	-
Other Expenses	1,290.61	4,694.46	4,694.46	3,742.47	951.99
Sanitation/Solid Waste Collection:					
Other Expenses	8,084.25	16,722.46	16,470.92	11,873.01	4,597.91
Solid Waste Collection/Recycling					
Other Expenses	5,922.39	1,102.24	(4,043.40)	(4,789.23)	745.83
Buildings and Grounds:					
Salaries and Wages	1,822.55	-	-	-	-
Other Expenses	47.24	5,323.41	4,203.33	4,203.33	-
Equipment Maintenance					
Salaries and Wages	29.45	-	-	-	-
Other Expenses	133.88	2,351.31	1,931.03	1,931.03	-
<u>Animal Control Services</u>					
Other Expenses	1,618.01	1,638.90	1,638.90	1,480.13	158.77
<u>Parks and Recreation</u>					
Recreation Services and Programs					
Salaries and Wages	1,073.23	-	-	-	-
Other Expenses	41.06	343.80	343.80	343.80	-
Recreation Services and Programs/Golf Course					
Salaries and Wages	384.55	-	-	-	-
Other Expenses	176.59	912.30	894.92	894.82	0.10
Maintenance of Parks					
Other Expenses	1,145.14	870.75	870.75	870.75	-

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF APPROPRIATION RESERVES

Sheet 4 of 5

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Health and Human Services</u>					
Environmental Health Services					
Salaries and Wages	\$ 300.00	\$ -	\$ -	\$ -	-
Other Expenses	3,305.00	-	-	-	-
Beach and Boardwalk Operations					
Salaries and Wages	386.48	-	-	-	-
Other Expenses	527.16	-	-	-	-
<u>Utilities and Bulk Purchases</u>					
Utilities					
Other Expenses	21,833.31	26,860.78	55,874.40	50,648.37	5,226.03
Street Lighting					
Other Expenses	48,116.77	99.98	46,550.72	41,248.71	5,302.01
Gasoline					
Other Expenses	110.21	37,450.18	125,120.58	105,215.87	19,904.71
<u>Landfill/Solid Waste</u>					
Landfill/Solid Waste Disposal Costs					
Other Expenses/Tipping	622.16	1,015.00	1,015.00	1,015.00	-
<u>Code Enforcement and Administration</u>					
Other Code Enforcement Functions:					
Salaries and Wages	426.25	-	-	-	-
Other Expenses	509.02	-	-	-	-
Total Operations within Caps	<u>242,890.57</u>	<u>336,197.71</u>	<u>579,088.28</u>	<u>507,665.55</u>	<u>71,422.73</u>
Contingent	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>
Total Operations within Caps including Contingent	<u>244,890.57</u>	<u>336,197.71</u>	<u>581,088.28</u>	<u>507,665.55</u>	<u>73,422.73</u>
<u>STATUTORY EXPENDITURES WITHIN CAPS</u>					
Contribution to:					
Social Security System	0.60	-	0.60	-	0.60
Total Appropriations within Caps	<u>244,891.17</u>	<u>336,197.71</u>	<u>581,088.88</u>	<u>507,665.55</u>	<u>73,423.33</u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF APPROPRIATION RESERVES

Sheet 5 of 5

OPERATIONS EXCLUDED FROM CAPS

Length of Service Awards Program (N.J.A.C. 5:30-14.25)

Other Expenses

Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc))

Other Expenses

Recycling Enhancement Act (P.L. 2007 c.311)

Other Expenses

Community Service Officer Program

Salaries and Wages

Other Expenses

Interlocal Municipal Service Agreements

Ocean County Health - Animal Control

Other Expenses

Ocean County Social Services-Relocation Expenses

Other Expenses

Fire Protection - South Toms River

Other Expenses

Animal Control-Pine Beach, So. Seaside Park, Ocean Gate

Salaries and Wages

Total Operations excluded from Caps

Total General Appropriations

	<u>Balance Dec. 31, 2013</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
\$	16,774.00	\$ -	\$ 16,774.00	\$ 4,905.00	\$ 11,869.00
25,043.31		11,029.18	36,072.49	13,476.16	22,596.33
1,269.67		12,524.28	13,793.95	12,578.20	1,215.75
69,616.00		-	69,616.00	-	69,616.00
500.00		-	500.00	354.60	145.40
9,740.00		-	9,740.00	-	9,740.00
2,500.00		-	2,500.00	-	2,500.00
-		2,839.95	2,839.95	2,839.95	-
10,745.00		-	10,745.00	-	10,745.00
136,187.98		26,393.41	162,581.39	34,153.91	128,427.48
\$	381,079.15	\$ 362,591.12	\$ 743,670.27	\$ 541,819.46	\$ 201,850.81

Disbursed

Accounts Payable

\$ 539,972.53
1,846.93

\$ 541,819.46

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Balance December 31, 2013:	
School Tax Deferred	\$ 13,671,002.01
Increased by:	
Levy for School Year July 1, 2014	
to June 30, 2015	28,252,361.00
	<u>41,923,363.01</u>
Decreased by:	
Disbursements	28,459,405.00
	<u>28,459,405.00</u>
Balance December 31, 2014:	
School Tax Deferred	\$ <u>13,463,958.01</u>
<u>2014 Charge to Operations for Regional School Tax</u>	
Balance December 31, 2013 - School Tax Deferred	\$ 13,671,002.01
Add: 2014-2015 School Tax Levy	28,252,361.00
Less: Ending Balance December 31, 2014 - School Tax Deferred	<u>(13,463,958.01)</u>
Amount Charged to 2014 Operations	\$ <u>28,459,405.00</u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF REGIONAL SCHOOL TAX

Balance December 31, 2013:		
School Tax Deferred	\$	9,048,596.27
Increased by:		
Levy for School Year July 1, 2014		
to June 30, 2015		<u>19,516,604.00</u>
		28,565,200.27
Decreased by:		
Disbursements		<u>19,518,100.88</u>
Balance December 31, 2014:		
School Tax Deferred	\$	<u><u>9,047,099.39</u></u>
<u>2014 Charge to Operations for Regional School Tax</u>		
Balance December 31, 2013 - School Tax Deferred	\$	9,048,596.27
Add: 2014-2015 School Tax Levy		19,516,604.00
Less: Ending Balance December 31, 2014 - School Tax Deferred		<u>(9,047,099.39)</u>
Amount Charged to 2014 Operations	\$	<u><u>19,518,100.88</u></u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-12

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2013		\$	93,986.18
2014 Tax Levy:			
County Tax (Abstract)	\$	17,472,611.22	
County Library Tax (Abstract)		1,947,435.60	
County Health Tax (Abstract)		700,321.39	
County Open Space Tax (Abstract)		613,860.08	
Due County for Added and Omitted Taxes		<u>50,804.21</u>	
			<u>20,785,032.50</u>
			20,879,018.68
Decreased by:			
Disbursements			<u>20,828,214.47</u>
Balance December 31, 2014		\$	<u><u>50,804.21</u></u>

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Exhibit A-13

Balance December 31, 2013		\$	-
Increased by:			
Levy Calendar Year 2014			510,650.13
Decreased by:			
Disbursements			<u>510,650.13</u>
Balance December 31, 2014		\$	<u><u>-</u></u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-14

SCHEDULE OF SPENDING RESERVES

<u>Improvement Description</u>	Balance Dec. 31, 2013	2014 Authorization	Expended	Balance Dec. 31, 2014
Contractually Required Severance	\$ 261,769.87	\$ 242,026.80	\$ 225,889.76	\$ 277,906.91
Revaluation	53,754.35	-	-	53,754.35
Storm Damage - Superstorm Sandy	2,475,490.31	-	707,863.41	1,767,626.90
	<u>\$ 2,791,014.53</u>	<u>\$ 242,026.80</u>	<u>\$ 933,753.17</u>	<u>\$ 2,099,288.16</u>
Disbursed			792,394.33	
Accounts Payable			141,358.84	
			<u>\$ 933,753.17</u>	

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

Exhibit A-15

CURRENT FUND

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Other Trust Fund	General Capital Fund	Animal Control Trust Fund	Payroll Fund
Balance December 31, 2013 - (Due From) /Due To	\$ 48,020.01	\$ 106,500.64	\$ 22,108.49	\$ (11,648.59)	\$ (68,940.53)
Increased by:					
Receipts	418,939.34	337,013.37	-	13,121.97	68,804.00
Total Increases and Balances	466,959.35	443,514.01	22,108.49	1,473.38	(136.53)
Decreased by:					
Disbursed	521,490.81	486,258.71	22,108.49	-	13,123.61
Balance December 31, 2014 - (Due From) /Due To	\$ (54,531.46)	\$ (42,744.70)	\$ -	\$ 1,473.38	\$ (13,260.14)

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-16

SCHEDULE OF INTERFUND

GRANT FUND

Balance December 31, 2013-(Due From)		\$	(176,507.04)
Increased by:			
Appropriated Reserve Expenditures:			
Disbursements	\$	242,170.74	
Appropriated Reserves Cancelled		1,014.64	
2014 Revenue Anticipated		<u>1,090,351.20</u>	
			<u>1,333,536.58</u>
			1,510,043.62
Decreased by:			
Deposited in Current Fund: Grants Receivable		307,876.09	
2014 Budget Appropriations		<u>1,101,880.32</u>	
			<u>1,409,756.41</u>
Balance December 31, 2014-(Due From)		\$	<u><u>(100,287.21)</u></u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-17

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

GRANT FUND

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>2014</u> <u>Budget</u> <u>Revenue</u>	<u>Realized</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
	\$	\$	\$	\$
Body Armor Grant - 2013	-	8,605.72	8,605.72	-
Body Armor Grant - 2014	-	6,826.35	6,826.35	-
CDBG Parking Facilities/Volunteer Community Center	-	33,000.00	-	33,000.00
Clean Communities Program	-	107,386.37	107,386.37	-
Click It Or Ticket - 2014	-	4,000.00	3,900.00	100.00
DOJ - 2014 Bulletproof Vest Partnership	-	13,631.62	4,130.00	9,501.62
Drive Sober or Get Pulled Over	-	4,400.00	4,400.00	-
Drive Sober or Get Pulled Over	-	5,000.00	5,000.00	-
Drive Sober or Get Pulled Over Holiday Grant	-	7,500.00	-	7,500.00
Energy Allocation Initiative	-	215,400.00	-	215,400.00
Green Communities Grant - 2013	3,000.00	-	-	3,000.00
Homeland Security Grant - FY 2007	12,533.99	-	-	12,533.99
Homeland Security Grant - FY 2009	2,364.59	-	-	2,364.59
Homeland Security Grant - FY 2009 Additional	1,313.58	-	-	1,313.58
Homeland Security Grant - FY 2011	23,287.00	-	21,807.68	1,479.32
Homeland Security Grant - FY 2012	25,000.00	-	24,996.66	3.34
Homeland Security Grant - FY 2013	-	-	22,341.51	-
Homeland Security Grant - FY 2014	-	40,500.00	-	18,158.49
Municipal Alliance on Alcoholism and Drug Abuse - 2013	30,000.00	33,066.00	-	33,066.00
Municipal Alliance on Alcoholism and Drug Abuse - 2014 TY	-	-	27,305.92	2,694.08
Municipal Alliance on Alcoholism and Drug Abuse - 2014 FY	-	15,009.29	14,560.88	448.41
NJ 966 Reimbursement Program - FY 2014	32,206.52	33,638.00	-	33,638.00
NJ DEP Mini Grant-Cedar Creek Fish Project	-	16,000.00	30,473.24	1,733.28
NJ Department of Law and Public Safety - 966 Grant	1,541.13	-	5,000.00	11,000.00
NJ Department of Law and Public Safety - 966 Grant - FY 2010	10,885.11	-	-	1,541.13
NJ Department of Law and Public Safety - 966 Grant - FY 2011	7,040.00	-	-	10,885.11
NJ Department of Law and Public Safety - 966 Grant - FY 2012	845.50	-	-	7,040.00
NJ Department of Law and Public Safety - 966 Grant - FY 2015	-	-	-	845.50
NJ DOT - Various Road Improvements	-	31,174.85	-	31,174.85
NJ Economic Development Authority Public Entity Grant	186,663.00	200,000.00	-	200,000.00
NJ Office of Emergency Management	636.50	-	-	186,663.00
Ocean - Municipal Recycling Grant Program	-	7,213.00	-	636.50
Ocean County OEM FY12	-	5,000.00	5,000.00	7,213.00
Ocean County Tourism Grant	1,000.00	-	-	-
Post Sandy Planning Assistance Grant	-	277,000.00	-	1,000.00
Post Sandy Planning Assistance Grant	-	26,000.00	-	277,000.00
	\$	\$	\$	\$
	338,316.92	1,090,351.20	24,747.48	1,252.52
Interfund - Grant Fund:				
Receipts			316,481.81	1,112,186.31
Unappropriated Reserves Realized			307,876.09	
			8,605.72	
				316,481.81

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-18

SCHEDULE OF APPROPRIATED RESERVES

Sheet 1 of 2

GRANT FUND

Grant	Balance Dec. 31, 2013 \$	Transfer from 2014 Budget Appropriation \$	Reserve for Encumbrances \$	Expended \$	Cancelled \$	Balance Dec. 31, 2014 \$
Body Armor Grant - 2011	6,123.69	-	-	4,412.00	-	1,711.69
Body Armor Grant - 2012	6,366.90	-	-	237.91	-	6,128.99
Body Armor Grant - 2013	-	8,605.72	-	-	-	8,605.72
Body Armor Grant - 2014	-	6,826.35	-	-	-	6,826.35
Body Armor Replacement Program - 2010	6,098.14	-	-	6,098.14	-	-
Bullet Proof Vest Partnership 2014	-	13,631.62	-	-	-	13,631.62
CDBG Parking Facilities/Volunteer Community Center	-	33,000.00	-	-	-	33,000.00
Clean Communities Program-2013	14,105.53	-	-	12,278.51	-	1,827.02
Clean Communities Program-2014	-	107,386.37	-	86,622.70	-	20,763.67
Click It or Ticket	400.00	-	-	-	-	400.00
Click It or Ticket 2014	-	4,000.00	-	3,900.00	-	100.00
Department of Justice - Bullet Proof Vest Grant - 2008	1,368.71	-	750.00	2,118.71	-	-
Department of Justice - Bullet Proof Vest Grant - 2008	3,988.74	-	-	3,988.74	-	-
DOT - Various Road Improvements	-	200,000.00	-	-	-	200,000.00
Drive Sober or Get Pulled Over 2014	-	5,000.00	-	4,500.00	-	500.00
Drive Sober or Get Pulled Over 2014 Holiday Grant	-	7,500.00	-	-	-	7,500.00
DWI Enforcement	-	4,400.00	-	4,400.00	-	-
EMAA Allocation - FY 2010	5,000.00	-	-	-	-	5,000.00
EMAA Allocation - FY 2011	5,000.00	-	-	-	-	5,000.00
Emergency Management Assistance - FY 2008	5,000.00	-	-	-	-	5,000.00
Emergency Management Assistance - FY 2009	5,000.00	-	-	-	-	5,000.00
Energy Allocation Initiative	-	215,400.00	-	-	-	215,400.00
Green Communities Grant - 2013	3,000.00	-	-	-	-	3,000.00
Homeland Security Grant - FY 2007	7,809.10	-	-	-	-	7,809.10
Homeland Security Grant - FY 2009	2,364.59	-	-	-	-	2,364.59
Homeland Security Grant - FY 2010	1,313.58	-	-	-	-	1,313.58
Homeland Security Grant - FY 2011	964.62	-	514.50	514.50	-	964.62
Homeland Security Grant - FY 2012	3.34	-	-	-	-	3.34
Homeland Security Grant - FY 2013	-	40,500.00	-	30,316.19	-	10,183.81
Homeland Security Grant - FY 2014	-	33,066.00	-	-	-	33,066.00

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-18

SCHEDULE OF APPROPRIATED RESERVES

Sheet 2 of 2

GRANT FUND

Grant	Balance Dec. 31, 2013	Transfer from 2014 Budget Appropriation	Reserve for Encumbrances	Expended	Cancelled	Balance Dec. 31, 2014
	\$ 1,451.62	\$ -	\$ 648.80	\$ 2,099.27	\$ -	\$ 1.15
Municipal Alliance - 2013	-	35,233.88	-	15,400.81	-	19,833.07
Municipal Alliance - 2014 Fiscal State Year	-	15,009.29	-	11,818.62	-	3,190.67
Municipal Alliance - 2014 Transition Year	-	3,750.00	-	3,750.00	-	-
Municipal Alliance - 2014 Local Match - Fiscal State Year	-	6,183.24	-	-	-	6,183.24
Municipal Alliance - 2014 Local Match - Transition Year	-	7,213.00	-	-	-	7,213.00
Municipal Alliance - 2014	-	-	500.00	-	500.00	-
NJ 966 Grant - FY 2008	-	-	1,039.93	1,039.93	-	-
NJ 966 Grant - FY 2010	7,040.00	-	-	-	-	7,040.00
NJ 966 Grant - FY 2011	737.50	-	-	-	-	737.50
NJ 966 Reimbursement Program - FY 2012	32,206.52	-	-	30,974.79	-	1,231.73
NJ 966 Reimbursement Program - FY 2014	-	-	-	-	-	31,174.85
NJ 966 Reimbursement Program - FY 2015	-	31,174.85	-	-	-	16,000.00
NJ DEP Mini Grant-Cedar Creek Fish Project	-	16,000.00	-	-	-	7,452.78
NJ Drunk Driving Enforcement	14,045.28	-	950.00	7,542.50	-	636.90
NJ Office of Emergency Management	636.90	-	-	-	-	-
NJ Office of Emergency Management	-	-	571.00	571.00	-	-
NJEDA - Public Entity Grant	1,433.12	-	77.81	77.81	-	1,433.12
Ocean County EUM FY 12	-	5,000.00	-	5,000.00	-	-
Post Sandy Planning Assistance Grant	-	277,000.00	-	-	-	277,000.00
Post Sandy Planning Assistance Grant	-	26,000.00	-	10,561.78	-	15,438.22
Recycling Tonnage Grant - 2008	-	-	306.72	-	306.72	-
Recycling Tonnage Grant - 2009	-	-	231.70	23.78	207.92	-
Recycling Tonnage Grant - 2010	869.92	-	13,176.10	13,583.17	-	462.85
Recycling Tonnage Grant - 2010	-	-	179.80	179.80	-	-
State of NJ Department of Health and Senior Services - Hepatitis B	440.00	-	490.00	545.00	-	385.00
Tourism Grant	1,000.00	-	-	995.00	-	5.00
	\$ 133,767.80	\$ 1,101,880.32	\$ 19,436.36	\$ 263,550.66	\$ 1,014.64	\$ 990,519.18
Paid by Current Fund				\$ 242,170.74		
Reserve for Encumbrances				21,379.92		
				\$ 263,550.66		

TRUST FUND

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TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

TRUST FUND

Exhibit B-1

SCHEDULE OF CASH - TREASURER

	Animal Control Trust Fund	Other Trust Fund
Balance December 31, 2013	\$ 84,702.59	\$ 7,820,392.05
Increased by Receipts:		
Animal Control License Fees	\$ 35,862.09	
Miscellaneous Reserves	-	-
Construction Code Deficit Raised	-	5,811,044.23
Reserve For Open Space	-	46,695.38
Due to State of New Jersey	4,813.00	510,911.27
Interfund - Current Fund	-	39,768.50
	<u>40,675.09</u>	<u>6,914,799.50</u>
	125,377.68	14,735,191.55
Decreased by Disbursements:		
Expenditures Under R.S. 4:19-15.11	34,388.71	
Miscellaneous Reserves	-	-
Reserve for Open Space	-	6,312,008.04
Due to State of New Jersey	4,848.40	507,184.96
Interfund - Current Fund	11,648.59	64,672.50
	<u>50,885.70</u>	<u>7,241,000.28</u>
Balance December 31, 2014	\$ 74,491.98	\$ 7,494,191.27

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

ANIMAL CONTROL TRUST FUND

Exhibit B-2

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

Balance December 31, 2013		\$	73,018.60
Increased by:			
Animal Control License Fees Collected			<u>35,862.09</u>
			108,880.69
Decreased by:			
Interfund - Current Fund:			
Statutory Excess Due to Current Fund	\$	1,473.38	
Expenditures Under R.S. 4:19-15.11		<u>34,388.71</u>	
			<u>35,862.09</u>
Balance December 31, 2014		\$	<u>73,018.60</u>

License and Penalty Fees Collected

<u>Year</u>	<u>Amount</u>
2013	\$ <u>36,202.40</u>
2012	<u>36,816.20</u>
	\$ <u>73,018.60</u>

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

Exhibit B-3

Balance December 31, 2013		\$	35.40
Increased by:			
2014 Animal License Fees			<u>4,813.00</u>
			4,848.40
Decreased by:			
Fees Paid to State			<u>4,848.40</u>
Balance December 31, 2014		\$	<u>-</u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B-4

SCHEDULE OF INTERFUND - CURRENT FUND

Balance December 31, 2013 - (Due From)	\$ (106,500.64)
Increased by:	
Disbursements	<u>357,134.78</u>
	463,635.42
Decreased by:	
Receipts	<u>506,380.12</u>
Balance December 31, 2014 - Due To	\$ <u><u>42,744.70</u></u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B-5

SCHEDULE OF MISCELLANEOUS RESERVES

Balance December 31, 2013		\$	7,199,871.37
Increased by:			
Receipts			5,811,044.23
			<u>13,010,915.60</u>
Decreased by:			
Disbursements	6,312,008.04		
Write Off Receivable - Due From Regional School District	<u>20,000.00</u>		
			<u>6,332,008.04</u>
Balance December 31, 2014		\$	<u><u>6,678,907.56</u></u>

Analysis of Balance

Reserve for:

Law Enforcement	\$	47,181.02
Allied Risk Management (PMA)		47,174.19
Sanitary Landfill		12,947.13
Unemployment Compensation		3,032.12
Construction Code		97,092.09
Tree Inspection Fees		5,956.03
Tax Map Maintenance		1,957.80
Developer Application Review		62,241.45
Recreation Fees Trust		37,956.90
Founders Day (Special Events Activities)		20,156.17
Drainage Improvements		153,299.12
Affordable Housing		512,117.34
Uniform Fire Safety Act - Penalty Monies		18,974.62
Fire Prevention Donations		6,286.57
Street Opening		10,438.50
DARE		16,168.10
Developers Road Impact		129,229.50
Public Defender		6,937.17
Tax Sale Premium		2,168,950.00
POAA		437.86
Third Party Liens		468,984.61
Foreclosures		11,112.88
Developers Escrow		2,316,203.87
Outside Employment - Off Duty Police		4,608.22
Inspection Fees - Grading		6,952.19
Planning/Zoning Board Escrow		143,103.11
Recreation - Developer Contributions		39,500.00
Reserve for ABC		63.00
Tree Planting		1,017.02
Municipal Alliance Donations		6,218.14
Disposal of Forfeited Property		4,082.39
Inspection Holly Park		3,141.84
Reserve for Berkeley Estates		<u>315,386.61</u>
	\$	<u><u>6,678,907.56</u></u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B-6

SCHEDULE OF RESERVE FOR OPEN SPACE

Balance December 31, 2013		\$	768,137.70
Increased by:			
2014 Tax Levy - Open Space	\$	510,650.13	
Interest on Deposits		<u>261.14</u>	
			<u>510,911.27</u>
			1,279,048.97
Decreased by:			
Disbursements			<u>507,184.96</u>
Balance December 31, 2014		\$	<u><u>771,864.01</u></u>

SCHEDULE OF RESERVE FOR LENGTH OF SERVICE

AWARDS PROGRAM (LOSAP) - UNAUDITED

Exhibit B-7

Balance December 31, 2013		\$	1,691,740.62
Increased by:			
Gains	\$	56,977.94	
Contributions		205,547.00	
Interest Earned		<u>9,504.60</u>	
			<u>272,029.54</u>
			1,963,770.16
Decreased by:			
Distributions			<u>238,745.60</u>
Balance December 31, 2014		\$	<u><u>1,725,024.56</u></u>

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GENERAL CAPITAL FUND

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TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-1

SCHEDULE OF CASH - TREASURER

Balance December 31, 2013		\$	791,143.11
Increased by:			
Budget Appropriation:			
Capital Improvement Fund	\$	320,000.00	
Grants Receivable		464,051.50	
Interfund-Current Fund		22,108.49	
Bond Anticipation Note Proceeds:			
Note Principal		11,409,928.00	
Premium		70,629.00	
			<u>12,286,716.99</u>
			13,077,860.10
Decreased by:			
Improvement Authorizations		7,221,346.25	
Reserve for Excess Bond Sale Proceeds Utilized		860,904.00	
			<u>8,082,250.25</u>
Balance December 31, 2014		\$	<u>4,995,609.85</u>

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

Exhibit C-2

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	Receipts		Disbursements			Balance Dec. 31, 2014	
			Budget Appropriation	Notes Issued	Improvement Authorizations	Miscellaneous	Transfers		
							From		To
		\$ 20,827.97	\$ 320,000.00	\$ -	\$ -	\$ 321,071.50	\$ -	\$ 19,756.47	
	Capital Improvement Fund	(1,132,551.92)	-	-	-	-	-	(668,500.42)	
	Grants Receivable	860,904.00	-	464,051.50	-	-	-	-	
	Ordinance 09-11 - Proceeds from Bond Sale Overfunding	(22,108.49)	-	22,108.49	-	-	-	-	
	Interfund - Current Fund	2,405,044.87	-	-	-	-	2,405,044.87	3,373,333.66	
	Reserve for Encumbrances	-	-	-	-	-	-	70,629.00	
	Reserve for Debt Service	-	-	70,629.00	-	-	-	-	

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-3

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - FUNDED

Balance December 31, 2013	C		\$ 29,085,423.35
Decreased by:			
Principal Reductions:			
Serial Bonds		\$ 2,264,096.00	
NJEIT Loans		176,503.54	
Green Trust Loans		80,104.04	
			<u>2,520,703.58</u>
Balance December 31, 2014			\$ <u><u>26,564,719.77</u></u>

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Balance Dec. 31, 2014	Notes Payable	Analysis of Balance	
						Expended Balance	Unexpended Balance
08-10	Various Capital Improvements	\$ 34,211.00	-	\$ 34,211.00	-	\$ 30,119.54	\$ 4,091.46
10-31	Various Capital Improvements	50,000.00	-	50,000.00	-	46,063.40	3,936.60
12-14	Various Capital Improvements	1,415,020.00	-	1,415,020.00	1,132,904.00	-	282,116.00
13-26	Various Capital Improvements	5,758,693.00	-	5,758,693.00	4,376,666.00	309,064.37	1,072,962.63
14-03	Various Capital Improvements	-	6,100,358.50	6,100,358.50	5,900,358.00	-	200,000.50
		<u>\$ 7,257,924.00</u>	<u>\$ 6,100,358.50</u>	<u>\$ 13,358,282.50</u>	<u>\$ 11,409,928.00</u>	<u>\$ 385,247.31</u>	<u>\$ 1,563,107.19</u>
Improvement Authorizations - Unfunded							
Less: Unexpended Proceeds of Bond Anticipation Notes							
						<u>\$ 3,827,840.73</u>	
Ordinance Number	Improvement Description						
12-14	Various Capital Improvements					\$ 322,383.05	
14-03	Various Capital Improvements					<u>1,942,350.49</u>	<u>2,264,733.54</u>
							<u>\$ 1,563,107.19</u>

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2013		\$ 20,827.97
Increased by:		
Budget Appropriation		<u>320,000.00</u>
		340,827.97
Decreased by:		
Appropriations to Finance Improvement		
Authorizations		<u>321,071.50</u>
Balance December 31, 2014		\$ <u><u>19,756.47</u></u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF GRANTS RECEIVABLE

Ordinance Number	Description	Balance Dec. 31, 2013	Received	Balance Dec. 31, 2014
		\$		\$
06-31	NJ DEP Green Acres - Bayview Park	86,625.00	-	86,625.00
09-29, 09-11	NJ DEP Green Acres - Manitou Park	116,250.00	-	116,250.00
08-10	NJ DOT - Virginia and Hoover Avenues	39,207.42	-	39,207.42
09-29, 09-11	U.S. Department of Justice - Digital Video	276,551.50	276,551.50	-
11-18	NJ DOT - Prince Charles Drive and 22nd Street	55,000.00	-	55,000.00
11-18	US Department of Homeland Security - FEMA	41,418.00	-	41,418.00
12-14	CDBG - Chesterfield Lane	17,500.00	-	17,500.00
12-14	NJ DOT - Road Improvements	250,000.00	187,500.00	62,500.00
13-26	NJ DOT-Roberts and Sands	250,000.00	-	250,000.00
		\$		\$
		1,132,551.92	464,051.50	668,500.42
		A		A

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2013		2014 Authorizations	Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2014	
				Funded	Unfunded				Funded	Unfunded
01-03	Various Capital Improvements	3/13/2001	\$ 1,744,800.00	\$ -	-	\$ -	9,814.45	-	9,814.45	-
06-31	Various Capital Improvements	5/23/2006	5,849,102.00	186,082.78	-	-	193.87	193.87	186,082.78	-
07-13	Various Capital Improvements	4/10/2007	5,500,773.00	-	-	-	11,438.00	11,438.00	-	-
07-26	Removal, Closure, Disposal and Replacement of Tanks and Site Remediation	10/09/2007	562,557.15	-	-	-	77.96	77.96	-	-
08-10	Various Capital Improvements	4/09/2008	5,162,510.00	-	-	-	22,130.90	22,851.40	-	-
09-11, 09-26	Various Capital Improvements	4/28/2009	6,209,795.00	82,000.12	4,811.96	-	231,408.24	243,715.15	69,693.21	4,091.46
10-31	Various Capital Improvements	10/12/2010	2,650,000.00	-	-	-	57,813.09	56,613.09	-	-
11-18	Various Capital Improvements	7/12/2011	2,941,418.00	131,748.52	2,736.60	-	151,208.63	227,642.68	55,314.47	3,936.60
12-14	Various Capital Improvements	7/20/2012	5,081,600.00	-	-	-	733,681.75	1,262,087.10	-	604,499.05
13-26	Various Capital Improvements	6/24/2013	6,311,783.00	-	1,132,904.40	-	1,187,277.98	4,490,981.65	-	1,072,962.63
14-03	Various Capital Improvements	2/24/2014	6,421,430.00	-	4,376,666.30	6,421,430.00	-	4,279,079.01	-	2,142,350.99
				\$ 399,831.42	\$ 5,517,119.26	\$ 6,421,430.00	\$ 2,405,044.87	\$ 10,594,679.91	\$ 320,904.91	\$ 3,827,840.73
	Deferred Charges - Unfunded Capital Improvement Fund					\$ 6,100,358.50				
						321,071.50				
						\$ 6,421,430.00				
	Disbursements							\$ 7,221,346.25		
	Reserve for Encumbrances							3,373,333.66		
								\$ 10,594,679.91		

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-8

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

Purpose	Year Issued	Original Issue	Interest Rate	Balance Dec. 31, 2013	Decreases	Balance Dec. 31, 2014
NJ Fund Loan	2007	\$ 975,000.00	0.00%	\$ 701,706.21	\$ 50,634.10	\$ 651,072.11
NJ Trust Loan	2007	345,000.00	3.40% to 5.00%	280,000.00	15,000.00	265,000.00
NJ Fund Loan	2008	390,046.00	0.00%	245,024.96	32,444.03	212,580.93
NJ Trust Loan	2008	390,046.00	5.00% to 5.50%	280,046.00	30,000.00	250,046.00
NJ Trust Loan	2010	250,000.00	3.845% to 4.260%	185,444.00	10,000.00	175,444.00
NJ Fund Loan	2010	755,700.00	0.00%	505,437.83	38,425.41	467,012.42
				<u>\$ 2,197,659.00</u>	<u>\$ 176,503.54</u>	<u>\$ 2,021,155.46</u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2013	Paid by Budget Appropriation	Balance Dec. 31, 2014
			Outstanding	Dec. 31, 2014				
	Issue		Date	Amount				
General Obligation Bonds	5/15/2004	\$ 8,103,000.00	5/15/2015	973,000.00	4.250%	\$ 1,903,000.00	\$ 930,000.00	\$ 973,000.00
General Obligation Bonds	7/01/2006	9,384,000.00	7/01/2015-19	720,000.00	4.500%			
			7/01/2020	719,000.00	4.500%			
General Obligation Bonds	1/07/2010	12,745,000.00	1/15/2015-18	950,000.00	3.000%	5,039,000.00	720,000.00	4,319,000.00
			1/15/2019	950,000.00	3.250%			
			1/15/2020	950,000.00	3.500%			
			1/15/2021	950,000.00	3.625%			
			1/15/2022	950,000.00	3.750%			
			1/15/2023	950,000.00	4.000%			
General Obligation Bonds	10/11/2012	9,950,000.00	1/15/2024	995,000.00	4.000%	10,495,000.00	950,000.00	9,545,000.00
			10/15/2015	525,000.00	3.000%			
			10/15/2016	1,025,000.00	2.250%			
			10/15/2017-20	1,050,000.00	2.000%			
			10/15/2021	1,050,000.00	2.125%			
			10/15/2022	1,050,000.00	2.250%			
			10/15/2023	1,050,000.00	3.000%	9,425,000.00	525,000.00	8,900,000.00
						<u>\$ 26,862,000.00</u>	<u>\$ 3,125,000.00</u>	<u>\$ 23,737,000.00</u>
Cash Disbursements								
Deferred Charges Funded								
							\$ 860,904.00	
							<u>2,264,096.00</u>	
							<u>\$ 3,125,000.00</u>	

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF GREEN TRUST LOANS PAYABLE

Purpose	Year	Original Issue	Maturities of Loans		Interest Rate	Balance Dec. 31, 2013	Paid by Budget Appropriation	Balance Dec. 31, 2014
			Outstanding Dec. 31, 2014	Amount				
Recreation Acquisition	2001	\$ 185,825.17	5/01/2015 to 11/01/2017					
			Level Debt Payments	\$ 7,001.07	2.00%	\$ 53,570.16	\$ 12,995.45	\$ 40,574.71
Veterans' Park Driving Range	2001	409,630.28	4/26/2015 to 4/26/2021					
			Level Debt Payments	16,845.81	2.00%	233,568.08	29,165.36	204,402.72
Toms River Park	2008	500,000.00	3/21/2015 to 3/21/2027					
			Level Debt Payments	15,880.75	2.00%	374,144.19	24,400.01	349,744.18
Toms River Park Phase II	2008	289,202.77	2/19/2015 to 2/19/2028					
			Level Debt Payments	8,991.78	2.00%	225,385.92	13,543.22	211,842.70
						<u>\$ 886,668.35</u>	<u>\$ 80,104.04</u>	<u>\$ 806,564.31</u>

TOWNSHIP OF BERKELEY - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Original Issue	Date of Maturity	Interest Rate	Issued for Cash	Balance Dec. 31, 2014
12-14	Various Capital Improvements	8/26/2014	8/25/2015	1.50%	1,132,904.00	\$ 1,132,904.00
13-26	Various Capital Improvements	8/26/2014	8/25/2015	1.50%	4,376,666.00	4,376,666.00
14-03	Various Capital Improvements	8/26/2014	8/25/2015	1.50%	5,900,358.00	5,900,358.00
					<u>\$ 11,409,928.00</u>	<u>\$ 11,409,928.00</u>

TOWNSHIP OF BERKELEY- COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>
08-10	Various Capital Improvements	\$ 34,211.00
10-31	Various Capital Improvements	50,000.00
12-14	Various Capital Improvements	282,116.00
13-26	Various Capital Improvements	1,382,027.00
14-03	Various Capital Improvements	200,000.50
		<u>\$ 1,948,354.50</u>

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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The Honorable Mayor and Members of the
Township Council
Township of Berkeley, New Jersey

We have audited the financial statements – statutory basis of the Township of Berkeley in the County of Ocean for the year ended December 31, 2014.

SCOPE OF AUDIT

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

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

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

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

GENERAL COMMENTS

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

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

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

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

A test was conducted to determine that expenditures greater than \$5,400 obtained solicitation of quotes. No exceptions were noted.

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

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

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

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 1, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year; now

THEREFORE BE IT RESOLVED by the Township Council of the Township of Berkeley, County of Ocean, State of New Jersey, as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against the delinquency.

Collection of Interest on Delinquent Taxes and Assessments (continued)

2. Effective January 1, 2014 there will be a ten (10) day grace period of quarterly tax payments made by cash, check or Money Order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of the resolution.
4. A certified copy of the resolution shall be provided by the Municipal Clerk to the Tax Collector, Township Attorney, and Township Auditor for the Township of Berkeley.

The governing body on January 1, 2014 passed the following resolution authorizing interest to be charged on delinquent taxes and assessments:

The tax collector is hereby authorized and directed to charge 5% per annum on the first \$1,500 of taxes becoming delinquent after the due date and 10% per annum on amount of taxes in excess of \$1,500 becoming delinquent after the due date.

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2014 included real estate taxes for 2014, 2013, 2012, and 2011.

The last tax sale was held on October 8, 2014 and was complete.

Inspection of 2014 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

YEAR	NUMBER OF LIENS
2014	288
2013	221
2012	255

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

Deductions From Taxes

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

Examination of Bills

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

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of the Township employees.

***Finding 2014-001:**

It was noted during our audit that an employee was not enrolled into the Public Employees' Retirement System even though that employee has met the requirements to be enrolled.

Recommendation:

That management ensures all eligible Township employees are added timely to their respective pension system.

Management's Response:

Management agrees with this finding and will correct it accordingly.

Municipal Court

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample was selected of fifteen (15); ten traffic and five criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

Municipal Court (continued):

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Tax Collector's Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2013 with the governing body.

Construction Code Office

- (1) **Indirect Costs** – Indirect costs are not allocated to the Construction Code Budget Appropriation.
- (2) **Annual Report** – An annual report of revenue, expenditures and a recommendation for any fee increase or decrease was filed with the governing body.
- (3) **Construction Code Costs** – A test was conducted to determine that all revenues collected for construction code fees are applied to pay for municipal costs of enforcing the Uniform Construction Code [*N.J.A.C.5:23.17(c)2*]. No exceptions were discovered as a result of the test that would indicate that construction code revenues were not being applied to pay for costs related to enforcement of the Uniform Construction Code.
- (4) **Construction Code Permits** – A test of the fees charged for construction code permits disclosed no exceptions regarding charges being levied in accordance with the Township Ordinances in effect.

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings except with those marked above with an asterisk (*).

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2014:

NAME	POSITION	AMOUNT OF BOND	
Carmen F. Amato, Jr.	Mayor	\$250,000	(A)
James J. Byrnes	Council President	\$250,000	(A)
Judy Noonan	Council Vice President	\$250,000	(A)
L. Thomas Grosse, Jr.	Councilman	\$250,000	(A)
Angelo Guadagno	Councilman	\$250,000	(A)
John Bacchione	Councilman	\$250,000	(A)
Sophia Gingrich	Councilwoman	\$250,000	(A)
Christopher Reid, Esq.	Township Administrator	\$250,000	(A)
Frederick C. Ebenau	Chief Financial Officer	\$250,000	(A)
Beverly M. Carle	Township Clerk	\$250,000	(A)
Danielle Peacock	Tax Collector	\$442,000	
James J. Gluck	Municipal Court Judge	\$ 38,000	(B)
Aileen Alonzo	Municipal Court Administrator	\$ 38,000	(B)

(A) A Public Employee Dishonesty Blanket Bond covering municipal employees in the amount of \$250,000 was in effect with the Garden State Municipal Joint Insurance Fund. This bond is subject to deductibles based upon other required coverages.

(B) Municipal Court Blanket Bond

ACKNOWLEDGMENT

We would like express our appreciation for the assistance and courtesies extended to the members of the audit team. The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, please contact us.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR# 498

July 2, 2015
Toms River, New Jersey