

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2015**

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

TABLE OF CONTENTS

	PAGE
PART I	
Independent Auditor's Report	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
Financial Statements – Statutory Basis:	EXHIBIT
Current Fund:	
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A 9
Comparative Statement of Operations & Changes in Fund Balance - Regulatory Basis	A-1 11
Statement of Revenues - Regulatory Basis	A-2 13
Statement of Expenditures - Regulatory Basis	A-3 15
Trust Fund:	
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B 24
General Capital Fund:	
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C 25
Payroll Fund:	
Comparative Statement of Assets and Liabilities - Regulatory Basis	G 26
General Fixed Assets Account Group:	
Comparative Statement of Assets and Reserves - Regulatory Basis	H 27
Notes to Financial Statements	31
Supplemental Exhibits:	
Current Fund:	
Schedule of Cash – Treasurer	A-4 63
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-5 64
Schedule of Tax Title Liens	A-6 65
Schedule of Revenue Accounts Receivable	A-7 66
Schedule of Deferred Charges N.J.S. 40A:4-55	A-8 68

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

TABLE OF CONTENTS

	PAGE
Supplemental Exhibits (continued):	
Current Fund (continued):	
Schedule of Appropriation Reserves	A-9 69
Schedule of Local District School Tax	A-10 72
Schedule of Regional School Tax	A-11 73
Schedule of County Taxes Payable	A-12 74
Schedule of Municipal Open Space Tax	A-13 74
Schedule of Spending Reserves	A-14 75
Schedule of Interfunds	A-15 76
Schedule of Interfund – Grant Fund	A-16 77
Schedule of Federal and State Grants Receivable	A-17 78
Schedule of Appropriated Reserves	A-18 80
Schedule of Unappropriated Reserves	A-19 82
 Trust Fund:	
Schedule of Cash - Treasurer	B-1 85
Schedule of Reserves for Animal Control	B-2 86
Schedule of Due State of New Jersey	B-3 86
Schedule of Interfund – Current Fund	B-4 87
Schedule of Miscellaneous Reserves	B-5 88
Schedule of Reserve for Open Space	B-6 89
Schedule of Reserve for Length of Service	
Awards Program (LOSAP) - Unaudited	B-7 89
 General Capital Fund:	
Schedule of Cash - Treasurer	C-1 93
Analysis of Capital Cash	C-2 94
Schedule of Deferred Charges to Future Taxation-Funded	C-3 95
Schedule of Deferred Charges to Future Taxation-Unfunded	C-4 96
Schedule of Capital Improvement Fund	C-5 97
Schedule Reserve for Debt Service	C-6 98
Schedule of Improvement Authorizations	C-7 99
Schedule of NJ Environmental Infrastructure Loans Payable	C-8 100
Schedule of General Serial Bonds	C-9 101
Schedule of Green Trust Loans Payable	C-10 102
Schedule of Grants Receivable	C-11 103
Schedule of Bonds and Notes Authorized but not Issued	C-12 104

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

TABLE OF CONTENTS

	PAGE
Single Audit Section:	
Independent Auditor's Report on Compliance for Each Major Program: and On Internal Control Over Compliance Required by the Uniform Guidance	107
Schedule of Expenditures of Federal Awards	111
Notes to Schedule of Expenditures of Federal Awards	112
Schedule of Findings and Questioned Costs	114
Summary Schedule of Prior Audit Findings and Questioned Costs	116

PART II

Comments and Recommendations:	
General Comments	119
Officials in Office and Surety Bonds	123
Acknowledgment	124

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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, 2015**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Berkeley
County of Ocean
Bayville, New Jersey 08721

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, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 2.76% and 2.34% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2015 and 2014.

Qualified Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

Change in Accounting Principle

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

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also 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 June 24, 2016, 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
RMA #498

Toms River, New Jersey
June 24, 2016

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

The Honorable Mayor and Members
of the 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, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 24, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. 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, 2015. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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.

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

June 24, 2016
Toms River, New Jersey

BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

Exhibit A
Sheet 1 of 2

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	A-4	\$ 6,169,597.51	\$ 5,218,574.72
Cash - Change Fund		3,510.00	3,520.00
		<u>6,173,107.51</u>	<u>5,222,094.72</u>
Due from State of New Jersey (P.L. 1971, Ch. 20)		72,006.14	33,305.77
Federal Emergency Management Receivable		465,233.47	-
		<u>6,710,347.12</u>	<u>5,255,400.49</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	2,108,170.11	3,056,369.34
Tax Title Liens Receivable	A-6	909,511.67	678,806.79
Property Acquired for Taxes		6,590,979.58	6,361,397.58
Revenue Accounts Receivable	A-7	14,298.87	16,633.87
Due From Municipal Utility Authority		2,333.64	2,339.36
Interfunds:			
Trust Other Fund	A-15	27,756.01	42,744.70
Animal Control Trust Fund	A-15	510.56	1,473.38
Payroll	A-15	9,394.02	13,260.14
Grant Fund	A-16	263,640.74	100,287.21
		<u>9,926,595.20</u>	<u>10,273,312.37</u>
Deferred Charges:			
FEMA Community Disaster Loan Payable (Memo)		5,111,061.46	5,061,096.00
Special Emergency Authorizations (40A:4-55)	A-8	3,116,403.43	4,525,665.77
		<u>8,227,464.89</u>	<u>9,586,761.77</u>
		<u>24,864,407.21</u>	<u>25,115,474.63</u>
<u>Grant Fund</u>			
Grants Receivable	A-17	1,259,295.77	1,112,186.31
		<u>1,259,295.77</u>	<u>1,112,186.31</u>
		<u>\$ 26,123,702.98</u>	<u>\$ 26,227,660.94</u>

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

Exhibit A
Sheet 2 of 2

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3,9	\$ 1,280,198.41	\$ 613,922.72
Reserve for Encumbrances	A-3,9	483,934.98	249,420.97
Special Emergency Note Payable	A-4	2,400,000.00	3,600,000.00
Prepaid Taxes	A-4	1,232,354.57	1,097,011.99
Due to Municipal Utility Authorities		-	237.21
Sales Tax Payable		1,830.27	1,151.38
Reserve for Garden State Trust Fund	A-4	42,590.00	42,590.00
Reserve for Police Found Money		1,816.28	1,816.28
Accounts Payable		3,382.05	5,573.93
County Taxes Payable	A-12	98,618.31	50,804.21
Tax Overpayments		48,852.17	266,241.91
Reserve for Contractually Required Severance	A-14	50,000.40	277,906.91
Reserve for Revaluation Program	A-14	53,754.35	53,754.35
Reserve for Storm Damage	A-14	546,646.70	1,767,626.90
FEMA Community Disaster Loan Payable (Memo)		5,111,061.46	5,061,096.00
		<u>11,355,039.95</u>	<u>13,089,154.76</u>
 Reserve for Receivables and Other Assets		 9,926,595.20	 10,273,312.37
Fund Balance	A-1	3,582,772.06	1,753,007.50
		<u>24,864,407.21</u>	<u>25,115,474.63</u>
<u>Grant Fund</u>			
Interfund - Current Fund	A-16	263,640.74	100,287.21
Reserve for Encumbrances	A-18	129,062.91	21,379.92
Appropriated Reserves	A-18	860,535.31	990,519.18
Unappropriated Reserves	A-19	6,056.81	-
		<u>1,259,295.77</u>	<u>1,112,186.31</u>
		<u>\$ 26,123,702.98</u>	<u>\$ 26,227,660.94</u>

There were deferred school taxes on December 31, 2015 and 2014 of \$23,699,058 and \$22,511,057 respectively (Exhibits A-10 and A-11).

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-1
Sheet 1 of 2

	Ref.	Year 2015	Year 2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 800,000.00	\$ 1,330,000.00
Fund Balance Utilized with Prior Consent of			
Director of Local Government Services	A-2	33,000.00	83,000.00
Miscellaneous Revenue Anticipated	A-2	10,755,219.60	8,890,358.07
Receipts from Delinquent Taxes	A-2	3,042,460.74	2,941,259.75
Receipts from Current Taxes	A-2	100,540,548.37	96,457,124.82
Non-Budget Revenues	A-2	241,676.04	234,632.50
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-9	233,002.21	201,850.81
Note Sale Premiums	A-4	-	51,665.00
Accounts Payable Cancelled		1,271.60	11,902.49
Animal Control Trust Fund - Statutory Excess		510.56	1,473.38
Interfunds Returned		-	99,330.73
Reserve for Miscellaneous Accounts Receivable Liquidated		5.72	-
Prior Year Cancelled Checks		8,134.89	-
Grant Fund Net Cancellation of Balances		-	1,014.64
Total Income		<u>115,655,829.73</u>	<u>110,303,612.19</u>
<u>Expenditures</u>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		15,078,991.88	14,833,462.47
Other Expenses		14,814,268.78	14,322,172.32
Deferred Charges and Statutory Expenditures		3,850,643.71	3,712,061.62
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		733,243.60	295,121.80
Other Expenses		1,317,144.17	1,730,980.13
Capital Improvements		330,000.00	520,000.00
Municipal Debt Service		4,219,014.12	3,383,046.10
Deferred Charges		1,476,168.58	1,427,755.71
Judgments		29,855.37	-
	A-3	<u>41,849,330.21</u>	<u>40,224,600.15</u>
Prior Year Senior Citizen Deductions Disallowed		1,000.00	133,018.72
Local District School Taxes	A-10	28,470,530.00	28,459,405.00
Regional School Taxes	A-11	20,633,597.29	19,518,100.88
County Taxes	A-12	21,290,412.23	20,785,032.50
Local Open Space Tax	A-13	512,579.12	510,650.13
Reserve for Miscellaneous Accounts Receivable		-	2,339.36
Grant Fund Net Cancellation of Balances		11,407.95	-
Interfund Loans Advanced		143,535.90	-
Prior Year Tax Appeals		147,578.71	119,820.31
Total Expenditures		<u>113,059,971.41</u>	<u>109,752,967.05</u>

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-1
Sheet 2 of 2

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Excess/(Deficit) in Revenue		2,595,858.32	550,645.14
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budgets of			
Succeeding Years	A-3	<u>66,906.24</u>	<u>242,026.80</u>
Statutory Excess to Fund Balance		2,662,764.56	792,671.94
Deficit in Operations to be Raised in Budget			
of Succeeding Year	A		
Fund Balance January 1	A	<u>1,753,007.50</u>	<u>2,373,335.56</u>
		4,415,772.06	3,166,007.50
Decreased by:			
Utilization as Anticipated Revenue	A-1,2	<u>833,000.00</u>	<u>1,413,000.00</u>
Fund Balance December 31	A	<u>\$ 3,582,772.06</u>	<u>\$ 1,753,007.50</u>

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-2
Sheet 1 of 2

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 800,000.00	\$ -	\$ 800,000.00	\$ -
Fund Balance Anticipated with Prior Consent of the Director of Local Government Services	33,000.00	-	33,000.00	-
	<u>833,000.00</u>	<u>-</u>	<u>833,000.00</u>	<u>-</u>
<u>Miscellaneous Revenues</u>				
Licenses:				
Alcoholic Beverages	45,800.00	-	46,126.00	326.00
Other	4,100.00	-	5,467.00	1,367.00
Fees and Permits	315,000.00	-	380,570.85	65,570.85
Fines and Costs:				
Municipal Court	230,000.00	-	247,957.58	17,957.58
Interest and Costs on Taxes	508,000.00	-	478,729.53	(29,270.47)
Interest on Investments and Deposits	5,900.00	-	6,105.51	205.51
Beach Admission Fees	89,000.00	-	97,439.00	8,439.00
Municipal Golf Course	625,000.00	-	602,854.71	(22,145.29)
Water and Cable Franchise Fees	206,679.24	-	206,679.24	-
Hotel and Motel Occupancy Tax	24,000.00	-	26,055.52	2,055.52
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	18,000.00	-	19,916.18	1,916.18
Berkeley Board of Education Fuel Facilities	100,000.00	-	75,172.95	(24,827.05)
Central Regional Board of Education Fuel Facilities	200,000.00	-	122,468.55	(77,531.45)
Fire Protection	26,500.00	-	26,500.00	-
Community Service Officer Program - Ambulance Service Fees	427,166.00	-	489,052.54	61,886.54
Public and Private Programs:				
Clean Communities Program	130,593.07	-	130,593.07	-
Municipal Alliance on Alcohol and Drug Abuse	33,638.00	-	33,638.00	-
Division of Highway Safety-Click-It or Ticket	3,600.00	-	3,600.00	-
Ocean County Tourism Grant	1,700.00	-	1,700.00	-
Hazardous Discharge Site Remediation Fund	30,708.00	-	30,708.00	-
NJEDA Public Entity Grant Program	12,500.00	-	12,500.00	-
Cops in Shops	2,000.00	-	2,000.00	-
Ocean County Municipal Recycling Grant	7,213.00	-	7,213.00	-
Alcohol Education Rehab & Enforcement Fund	235.73	-	235.73	-
Hazard Mitigation Grant Program	258,402.00	-	258,402.00	-
Bureau of Justice Assistance-Bulletproof Vest Partnership Grant	10,194.28	-	10,194.28	-
Bulletproof Vest Partnership 2015	-	7,683.87	7,683.87	-
Drive Sober Or Get Pulled Over 2015 Labor Day	-	5,000.00	5,000.00	-
Cops in Crosswalk Grant 2015	-	8,000.00	8,000.00	-
2015 Year End Holiday Crackdown Grant	-	5,000.00	5,000.00	-
Homeland Security Grant - FY 2015	-	14,000.00	14,000.00	-
Other Special Items:				
FEMA Reimbursement - Hurricane Sandy Event	2,080,000.00	-	2,080,000.00	-
Health Care Coverage - Employee Percentage	267,000.00	-	402,190.63	135,190.63
Ocean County Recycling Revenue Sharing Program	13,164.88	-	25,843.79	12,678.91
Refuge Revenue Sharing Act	888.00	-	888.00	-
Capital Fund Reserve for Cash	70,629.00	-	70,629.00	-
Grant Proceeds	109,681.12	-	-	(109,681.12)
Senior/Veteran Administration Fee	35,000.00	-	33,970.36	(1,029.64)
Surplus from the Berkeley Township MUA	86,254.00	-	86,254.00	-
Surplus from the Berkeley Township Sewer Authority	410,000.00	-	410,000.00	-
Uniform Fire Safety Act	29,317.01	-	27,415.71	(1,901.30)
Total Miscellaneous Revenues	<u>10,674,328.33</u>	<u>39,683.87</u>	<u>10,755,219.60</u>	<u>41,207.40</u>
Receipts from Delinquent Taxes	3,075,000.00	-	3,042,460.74	(32,539.26)
Subtotal General Revenues	<u>14,582,328.33</u>	<u>39,683.87</u>	<u>14,630,680.34</u>	<u>8,668.14</u>
Amount to be Raised by Taxes for Support of Municipal Budget	<u>30,611,766.87</u>	<u>-</u>	<u>31,896,784.12</u>	<u>1,285,017.25</u>
Total General Revenues	<u>45,194,095.20</u>	<u>39,683.87</u>	<u>46,527,464.46</u>	<u>1,293,685.39</u>
Non-Budget Revenues	<u>-</u>	<u>-</u>	<u>241,676.04</u>	<u>241,676.04</u>
	<u>\$ 45,194,095.20</u>	<u>\$ 39,683.87</u>	<u>\$ 46,769,140.50</u>	<u>\$ 1,535,361.43</u>

A-3

A-3

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-2
Sheet 2 of 2

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,5	\$ 100,540,548.37
Allocated to:		
School, County Taxes and Municipal Open Space	A-10,11,12,13	<u>72,095,119.35</u>
Balance for Support of Municipal Budget		
Appropriations		28,445,429.02
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>3,451,355.10</u>
Amount for Support of Municipal Budget		
Appropriations	A-2	<u><u>\$ 31,896,784.12</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-5	\$ 2,948,668.62
Tax Title Lien Collections	A-6	<u>93,792.12</u>
	A-2	<u><u>\$ 3,042,460.74</u></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		<u>12,351.30</u>
		<u><u>\$ 241,676.04</u></u>

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-3
Sheet 1 of 9

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
<u>OPERATIONS WITHIN CAPS</u>				
<u>General Government Functions</u>				
General Administration				
Salaries and Wages	\$ 176,835.00	\$ 235,543.83	\$ 223,719.10	\$ 11,824.73
Other Expenses	4,000.00	42,000.00	41,427.35	572.65
Human Resources				
Salaries and Wages	48,607.00	48,607.00	45,669.37	2,937.63
Other Expenses	6,275.00	7,675.88	7,610.88	65.00
Office of the Mayor				
Salaries and Wages	60,418.00	8,500.00	8,499.92	0.08
Other Expenses	2,350.00	2,350.00	2,160.16	189.84
Township Council				
Salaries and Wages	58,000.00	57,000.00	56,153.36	846.64
Other Expenses	4,000.00	4,950.00	4,771.17	178.83
Municipal Clerk				
Salaries and Wages	192,684.00	189,684.00	189,263.05	420.95
Other Expenses	25,975.00	25,975.00	24,397.80	1,577.20
Financial Administration				
Salaries and Wages	287,042.00	307,242.00	289,967.68	17,274.32
Other Expenses	25,000.00	28,000.00	27,264.43	735.57
Contractually Required Severance Liabilities				
Other Expenses	66,906.24	66,906.24	66,906.24	-
Audit Services				
Other Expenses	54,000.00	51,700.00	50,149.00	1,551.00
Revenue Administration (Tax Collection)				
Salaries and Wages	310,489.00	270,489.00	259,000.11	11,488.89
Other Expenses	67,000.00	67,000.00	59,023.63	7,976.37
Tax Assessment Administration				
Salaries and Wages	231,166.00	219,066.00	215,617.58	3,448.42
Other Expenses	15,725.00	17,089.00	17,081.94	7.06

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-3
Sheet 2 of 9

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Division of Central Services				
Salaries and Wages	77,835.00	79,535.00	79,476.22	58.78
Other Expenses	39,675.00	39,675.00	32,929.65	6,745.35
Legal Services				
Other Expenses	400,000.00	500,222.93	458,507.32	41,715.61
Engineering Services				
Other Expenses	200,000.00	200,000.00	165,631.35	34,368.65
Economic Development Agencies				
Salaries and Wages	1,000.00	600.00	400.00	200.00
Other Expenses	1,000.00	200.00	90.00	110.00
Senior Citizens Advisory Committee				
Salaries and Wages	500.00	500.00	300.00	200.00
Veterans Advisory Council				
Salaries and Wages	500.00	-	-	-
Waterways Advisory Committee				
Salaries and Wages	400.00	400.00	400.00	-
Other Expenses	600.00	900.00	900.00	-
Municipal Court:				
Salaries and Wages	217,784.00	224,884.00	222,586.03	2,297.97
Other Expenses	7,270.00	10,520.00	10,516.29	3.71
Public Defender (P.L. 1997, c256)				
Other Expenses	35,000.00	35,885.94	27,135.96	8,749.98
Land Use Administration				
Planning Board / Director of Planning				
Other Expenses	100,000.00	124,000.00	117,696.94	6,303.06
Planning Board				
Salaries and Wages	13,610.00	15,396.00	14,853.33	542.67
Other Expenses	60,250.00	72,750.00	71,660.05	1,089.95
Division of Zoning				
Salaries and Wages	56,776.00	55,891.00	54,632.99	1,258.01
Other Expenses	1,110.00	5,210.00	952.33	4,257.67

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-3
Sheet 3 of 9

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Zoning Board of Adjustment				
Salaries and Wages	13,610.00	12,430.00	11,885.59	544.41
Other Expenses	22,100.00	35,750.00	29,740.01	6,009.99
<u>Insurances</u>				
General Liability	1,300,000.00	1,322,836.01	1,256,694.26	66,141.75
Workers Compensation	400,000.00	284,000.00	232,155.04	51,844.96
Employee Group Insurance	6,547,387.00	6,457,387.00	6,409,008.02	48,378.98
Unemployment Insurance	25,000.00	25,000.00	21,694.65	3,305.35
<u>Public Safety Functions</u>				
Police Department				
Salaries and Wages	8,352,369.00	8,352,369.00	7,999,380.88	352,988.12
Other Expenses	408,000.00	408,000.00	369,400.17	38,599.83
Emergency Management				
Salaries and Wages	10,000.00	10,000.00	-	10,000.00
Other Expenses	18,050.00	18,050.00	6,456.44	11,593.56
Aid to Volunteer Fire Companies				
Salaries and Wages	15,002.00	15,002.00	15,002.00	-
Other Expenses	211,000.00	211,000.00	209,809.96	1,190.04
First Aid Contribution				
Other Expenses	125,000.00	125,000.00	125,000.00	-
Fire Department				
Salaries and Wages	112,995.99	116,895.99	116,768.79	127.20
Other Expenses	4,250.00	5,250.00	4,339.01	910.99
Uniform Fire Safety Act (P.L. 1983, Ch. 383):				
Salaries and Wages	29,317.01	29,317.01	29,317.01	-
Municipal Prosecutor:				
Other Expenses	45,000.00	52,000.00	47,867.50	4,132.50

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-3
Sheet 4 of 9

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
<u>Public Works Functions</u>				
Streets and Roads Maintenance:				
Salaries and Wages	391,457.69	376,457.69	354,983.53	21,474.16
Other Expenses	241,250.00	249,250.00	238,691.51	10,558.49
Contractual	375,000.00	375,000.00	375,000.00	-
Other Public Works Functions/Signs, Maintenance				
Salaries and Wages	129,617.00	129,617.00	126,335.89	3,281.11
Other Expenses	20,000.00	23,000.00	20,229.34	2,770.66
Other Public Works Functions/ Building Demolition				
Other Expenses	10,000.00	1,000.00	-	1,000.00
Sanitation/Solid Waste Collection:				
Salaries and Wages	1,741,549.00	1,889,549.00	1,839,828.64	49,720.36
Other Expenses	173,000.00	186,000.00	183,933.49	2,066.51
Solid Waste Collection/Recycling				
Salaries and Wages	349,287.00	390,287.00	381,172.67	9,114.33
Other Expenses	18,450.00	24,950.00	20,336.53	4,613.47
Buildings and Grounds:				
Salaries and Wages	169,059.00	174,759.00	160,733.42	14,025.58
Other Expenses	48,450.00	51,450.00	48,209.88	3,240.12
Equipment Maintenance				
Salaries and Wages	366,689.00	366,689.00	359,830.89	6,858.11
Other Expenses	37,500.00	33,500.00	29,079.07	4,420.93
<u>Health and Human Services</u>				
Environmental Health Services				
Other Expenses	500.00	800.00	700.00	100.00
Animal Control Services				
Salaries and Wages	110,649.00	109,849.00	106,531.85	3,317.15
Other Expenses	1,600.00	1,900.00	1,422.29	477.71
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	-

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-3
Sheet 5 of 9

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<u>Parks and Recreation</u>				
Recreation Services and Programs				
Salaries and Wages	446,996.00	473,496.00	467,940.17	5,555.83
Other Expenses	40,600.00	75,600.00	73,705.82	1,894.18
Recreation Services and Programs/Golf Course				
Salaries and Wages	501,733.00	541,733.00	536,374.99	5,358.01
Other Expenses	100,000.00	100,500.00	97,540.87	2,959.13
Maintenance of Parks				
Salaries and Wages	129,361.00	110,611.00	103,420.78	7,190.22
Other Expenses	74,200.00	71,700.00	70,016.43	1,683.57
Beach and Boardwalk Operations				
Salaries and Wages	90,000.00	95,282.36	95,282.36	-
Other Expenses	10,200.00	8,499.79	8,474.96	24.83
<u>Utilities and Bulk Purchases</u>				
Utilities				
Other Expenses	702,500.00	732,500.00	700,048.21	32,451.79
Street Lighting				
Other Expenses	500,000.00	495,000.00	421,206.86	73,793.14
Gasoline				
Other Expenses	900,000.00	527,925.99	466,274.93	61,651.06
<u>Landfill/Solid Waste</u>				
Landfill/Solid Waste Disposal Costs				
Other Expenses/Tipping	1,600,000.00	1,600,000.00	1,593,964.77	6,035.23
<u>Code Enforcement and Administration</u>				
Other Code Enforcement Functions:				
Salaries and Wages	164,735.00	171,310.00	168,567.00	2,743.00
Other Expenses	4,550.00	4,550.00	3,466.82	1,083.18
Total Operations within Caps	29,939,655.93	29,891,260.66	28,787,034.53	1,104,226.13
Contingent	2,000.00	2,000.00	-	2,000.00
Total Operations within Caps including Contingent	29,941,655.93	29,893,260.66	28,787,034.53	1,106,226.13

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-3
Sheet 6 of 9

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Detail:				
Salaries and Wages	14,858,072.69	15,078,991.88	14,533,895.20	545,096.68
Other Expenses	15,083,583.24	14,814,268.78	14,253,139.33	561,129.45
				-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>				
<u>WITHIN CAPS</u>				
<u>Statutory Expenditures</u>				
Contribution to:				
Social Security System	1,181,555.00	1,203,455.00	1,195,328.38	8,126.62
Police and Firemen's Retirement System of NJ	1,729,718.40	1,742,213.67	1,742,213.67	-
Defined Contribution Retirement Program	1,600.00	1,600.00	-	1,600.00
Public Employee Retirement System	903,375.04	903,375.04	903,375.04	-
Total Deferred Charges and Statutory Expenditures within Caps	3,816,248.44	3,850,643.71	3,840,917.09	9,726.62
Total Appropriations within Caps	33,757,904.37	33,743,904.37	32,627,951.62	1,115,952.75
<u>OPERATIONS EXCLUDED FROM CAPS</u>				
Insurance (N.J.S.A. 40A:4-45.3(00))				
Employee Group Health Insurance	202,613.00	202,613.00	202,613.00	-
Length of Service Awards Program (N.J.A.C. 5:30-14.25)				
Other Expenses	210,000.00	210,000.00	206,383.00	3,617.00
Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc))				
Salaries and Wages	181,644.00	195,644.00	189,495.36	6,148.64
Other Expenses	60,000.00	60,000.00	59,703.62	296.38
Recycling Enhancement Act (P.L. 2007 c.311)				
Other Expenses	63,709.32	63,709.32	61,514.42	2,194.90
<u>Interlocal Municipal Service Agreements</u>				
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	-

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-3
Sheet 7 of 9

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Animal Control - Pine Beach, South Seaside Park, Ocean Gate Salaries and Wages	18,000.00	18,000.00	18,000.00	-
Berkeley Board of Education - Fuel				
Other Expenses	100,000.00	100,000.00	75,172.95	24,827.05
Central Regional Board of Education - Fuel				
Other Expenses	200,000.00	200,000.00	122,468.55	77,531.45
Community Service Officer Program				
Salaries and Wages	383,016.00	383,016.00	336,441.80	46,574.20
Other Expenses	44,150.00	44,150.00	43,593.96	556.04
<u>Public and Private Programs Offset by Revenues</u>				
Alcohol Education Rehab & Enforcement Fund	235.73	235.73	235.73	-
Body Armor Fund	10,194.28	10,194.28	10,194.28	-
Bullet Proof Vest Partnership Program Grant	7,683.87	7,683.87	7,683.87	-
Clean Communities Grant				
Salaries and Wages	100,000.00	100,000.00	100,000.00	-
Other Expenses	30,593.07	30,593.07	30,593.07	-
Click It or Ticket	3,600.00	3,600.00	3,600.00	-
COPS in Shops	2,000.00	2,000.00	2,000.00	-
COPS in Crosswalks	8,000.00	8,000.00	8,000.00	-
Drive Sober or Get Pulled Over 2015	5,000.00	5,000.00	5,000.00	-
Drive Sober or Get Pulled Over 2015 Holiday Grant	5,000.00	5,000.00	5,000.00	-
2014 Municipal Recycling Grant Program	7,213.00	7,213.00	7,213.00	-
Hazardous Discharge Site Remediation Fund	30,708.00	30,708.00	30,708.00	-
Homeland Security - 2015	14,000.00	14,000.00	14,000.00	-
Municipal Alliance Grant - Municipal Share				
Salaries and Wages	8,409.50	8,409.50	8,409.50	-
Municipal Alliance Grant - Municipal Share (Fiscal Year)				
Salaries and Wages	22,074.10	22,074.10	22,074.10	-
Other Expenses	11,563.90	11,563.90	11,563.90	-
Hazard Mitigation Grant Program				
Federal Share	63,500.00	63,500.00	63,500.00	-

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

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Exhibit A-3
Sheet 8 of 9

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Hazard Mitigation Grant Program				
Federal Share	110,926.00	110,926.00	110,926.00	-
Local Share	2,114.00	2,114.00	2,114.00	-
Hazard Mitigation Grant Program				
Federal Share	83,976.00	83,976.00	83,976.00	-
Local Share	3,264.00	3,264.00	3,264.00	-
NJEDA Public Entity Grant Program	12,500.00	12,500.00	12,500.00	-
Ocean County Tourism Grant - 2015	1,000.00	1,000.00	1,000.00	-
Ocean County Tourism Grant	700.00	700.00	700.00	-
Total Operations excluded from Caps	2,036,387.77	2,050,387.77	1,886,142.11	164,245.66
Detail:				
Salaries and Wages	719,243.60	733,243.60	678,020.76	55,222.84
Other Expenses	1,317,144.17	1,317,144.17	1,208,121.35	109,022.82
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>				
Capital Improvement Fund	330,000.00	330,000.00	330,000.00	-
Total Capital Improvements excluded from Caps	330,000.00	330,000.00	330,000.00	-
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>				
Payment of Bond Principal	3,213,000.00	3,213,000.00	3,213,000.00	-
Interest on Bonds	667,897.08	667,897.08	667,897.08	-
Interest on Notes	197,239.50	197,239.50	197,239.50	-
NJEIT				
Loan Repayments for Principal and Interest	140,877.54	140,877.54	140,877.54	-
Total Municipal Debt Service excluded from Caps	4,219,014.12	4,219,014.12	4,219,014.12	-

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-3
Sheet 9 of 9

DEFERRED CHARGES EXCLUDED FROM CAPS

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
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	87,034.41	87,034.41	87,034.41	-
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	-
Special Emergency Authorizations - From 2014	48,405.36	48,405.36	48,405.36	-
Total Deferred Charges excluded from Caps	1,476,168.58	1,476,168.58	1,476,168.58	-
Judgments	29,855.37	29,855.37	29,855.37	-
Total General Appropriations excluded from Caps	8,091,425.84	8,105,425.84	7,941,180.18	164,245.66
Subtotal General Appropriations	41,849,330.21	41,849,330.21	40,569,131.80	1,280,198.41
Reserve for Uncollected Taxes	3,451,355.10	3,451,355.10	3,451,355.10	-
Total General Appropriations	\$ 45,300,685.31	\$ 45,300,685.31	\$ 44,020,486.90	\$ 1,280,198.41
Ref.		A-1		A
Adopted Budget		\$ 45,194,095.20		
Appropriations Added by 40A:4-87		39,683.87		
Special Emergency Authorizations	A-1, 8	66,906.24		
	A-3	\$ 45,300,685.31		
Reserve for Encumbrances			\$ 483,934.98	
Reserve for Uncollected Taxes			3,451,355.10	
Disbursements			37,997,866.55	
Special Emergency Authorization - Reserve for Contractually Required Severance			66,906.24	
Deferred Charges Raised:				
Special Emergency Appropriations			1,476,168.58	
Interfund - Grant Fund	A-3		544,255.45	
			\$ 44,020,486.90	

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
OTHER TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

Exhibit B

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 72,672.25	\$ 74,491.98
		<u>72,672.25</u>	<u>74,491.98</u>
<u>Other Trust Fund</u>			
Cash	B-1	7,887,262.88	7,494,191.27
		<u>7,887,262.88</u>	<u>7,494,191.27</u>
Length of Service Awards Program Fund (LOSAP) - Unaudited:			
Funds Held by Trustee	B-7	1,758,017.29	1,725,024.56
		<u>\$ 9,717,952.42</u>	<u>\$ 9,293,707.81</u>
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Reserve for Animal Control Trust Fund	B-2	\$ 72,064.49	\$ 73,018.60
Due to State of New Jersey	B-3	97.20	-
Interfund - Current Fund	B-3	510.56	1,473.38
		<u>72,672.25</u>	<u>74,491.98</u>
<u>Other Trust Fund</u>			
Interfunds:			
Current Fund	B-4	27,756.01	42,744.70
Payroll Fund		64,254.50	-
Due to State of New Jersey		785.00	675.00
Reserve for:			
Miscellaneous Reserves	B-5	7,020,177.84	6,678,907.56
Open Space	B-6	774,289.53	771,864.01
		<u>7,887,262.88</u>	<u>7,494,191.27</u>
Length of Service Awards Program Fund (LOSAP) - Unaudited:			
Funds Held by Trustee	B-7	1,758,017.29	1,725,024.56
		<u>\$ 9,717,952.42</u>	<u>\$ 9,293,707.81</u>

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

Exhibit C

	Ref.	2015	2014
<u>Assets</u>			
Cash	C-1	\$ 5,795,838.07	\$ 4,995,609.85
Deferred Charges to Future Taxation:			
Funded	C-3	23,292,981.90	26,564,719.77
Unfunded	C-4	19,599,260.00	13,358,282.50
Grants Receivable	C-6	533,500.42	668,500.42
		<u>\$ 49,221,580.39</u>	<u>\$ 45,587,112.54</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-5	\$ 21,283.97	\$ 19,756.47
Reserve for Debt Service	C-1	64,966.44	70,629.00
Improvement Authorizations:			
Funded	C-7	286,228.48	320,904.91
Unfunded	C-7	3,533,597.63	3,827,840.73
Reserve for Encumbrances	C-7	4,371,616.97	3,373,333.66
Bond Anticipation Notes	C-11	17,650,905.00	11,409,928.00
Environmental Infrastructure Trust Fund Loans	C-8	1,838,131.72	2,021,155.46
Serial Bonds	C-9	20,730,000.00	23,737,000.00
Green Trust Loan Payable	C-10	724,850.18	806,564.31
		<u>\$ 49,221,580.39</u>	<u>\$ 45,587,112.54</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$1,948,355.00 and \$1,948,354.50 (Schedule C-12).

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
PAYROLL FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

Exhibit G

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash	\$ 116,159.96	\$ 155,714.83
Interfund Receivable - Outside Employment	<u>64,547.80</u>	<u>-</u>
	<u><u>\$ 180,707.76</u></u>	<u><u>\$ 155,714.83</u></u>
<u>Liabilities</u>		
Interfund Payable - Current Fund	\$ 9,394.02	\$ 13,260.14
Interfund Payable - Special Trust	293.30	-
Payroll Deductions Payable	<u>171,020.44</u>	<u>142,454.69</u>
	<u><u>\$ 180,707.76</u></u>	<u><u>\$ 155,714.83</u></u>

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

Exhibit H

	<u>2015</u>	<u>2014</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>27,868,038.07</u>	<u>26,691,148.83</u>
	<u><u>\$ 42,025,763.07</u></u>	<u><u>\$ 40,848,873.83</u></u>
Investment in General Fixed Assets	<u><u>\$ 42,025,763.07</u></u>	<u><u>\$ 40,848,873.83</u></u>

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

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**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

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

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TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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, as amended by GASB Statements 39 and 61, 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.

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:

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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, 2015 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, 2015 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.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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 2015 and 2014 the following changes occurred in the fixed assets of the Township:

	Balance		Balance
	Jan. 1, 2015	Additions	Dec. 31 2015
General Fixed Assets Account Group			
Land	\$ 6,531,802	\$ -	\$ 6,531,802
Buildings	7,625,923	-	7,625,923
Furniture, Fixtures and Equipment	26,691,149	1,176,889	27,868,038
	<u>\$ 40,848,874</u>	<u>\$ 1,176,889</u>	<u>\$ 42,025,763</u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

	Balance				Balance
General Fixed Assets Account Group	Jan. 1, 2014		Additions	Deletions	Dec. 31 2014
Land	\$ 6,531,802	\$ -	\$ -	\$ -	\$ 6,531,802
Buildings	7,625,923	-	-	-	7,625,923
Furniture, Fixtures and Equipment	25,256,495	1,509,054	74,400	26,691,149	26,691,149
	<u>\$ 39,414,220</u>	<u>\$ 1,509,054</u>	<u>\$ 74,400</u>	<u>\$ 40,848,874</u>	<u>\$ 40,848,874</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.

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.

G. Impact of Recently Issued Accounting Principles

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

F. Subsequent Events

The Township has evaluated subsequent events through June 24, 2016, 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.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

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 \$20,041,531 and the bank balance amount was \$20,079,129. Of this amount \$294,457 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$17,546,211. An amount of \$2,238,461 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.
- (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);

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

(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.

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>Bank Balance</u>	
	<u>2015</u>	<u>2014</u>
<u>Depository Account</u>		
Insured:		
FDIC	\$ 294,457	\$ 456,753
GUDPA	17,546,211	16,215,698
Various Escrows	<u>2,238,461</u>	<u>2,473,493</u>
	\$ <u>20,079,129</u>	\$ <u>19,145,944</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.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

D. Credit Risk Categories (Continued)

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 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued and Outstanding</u>			
General:			
Bonds, Notes and Loans	\$ 40,943,887	\$ 37,974,647	\$ 29,946,327
Less Deductions:			
Reserve for Debt Service	64,966	70,629	-0-
Open Space Trust (N.J.S.A. 40A:2-44(h))	<u>851,426</u>	<u>916,072</u>	<u>981,706</u>
Net Debt Issued	<u>40,027,495</u>	<u>36,987,946</u>	<u>28,964,621</u>
 <u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>1,948,355</u>	<u>1,948,355</u>	<u>7,257,924</u>
 Net Bonds and Notes Issued and Authorized but not Issued	 \$ <u>41,975,850</u>	 \$ <u>38,936,301</u>	 \$ <u>36,222,545</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 .82%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 11,665,000	\$ 11,665,000	\$ -0-
Regional School District Debt	3,994,189	3,994,189	-0-
General Debt	<u>42,892,242</u>	<u>916,392</u>	<u>41,975,850</u>
	 \$ <u>58,551,431</u>	 \$ <u>16,575,581</u>	 \$ <u>41,975,850</u>

Net Debt \$41,975,850 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$5,110,975,739 = .821%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 178,884,151
Net Debt	<u>41,975,850</u>
Remaining Borrowing Power	<u>\$ 136,908,301</u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

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 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

\$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%	\$ 720,000
\$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%	8,595,000
\$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%	8,375,000
\$3,085,000 2015 Refunding Bonds due in annual installments ranging from \$45,000 to \$720,000 through 2020 at an interest rate of 2%	<u>3,040,000</u>
	\$ <u>20,730,000</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>
2016	\$ 2,745,000	\$ 694,430	\$ 3,439,430
2017	2,775,000	461,537	3,236,537
2018	2,755,000	396,537	3,151,537
2019	2,740,000	330,750	3,070,750
2020	2,720,000	262,887	2,982,887
2021-2024	<u>6,995,000</u>	<u>450,645</u>	<u>7,445,645</u>
	\$ <u>20,730,000</u>	\$ <u>2,596,786</u>	\$ <u>23,326,786</u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

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%

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>
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	75,620	7,817	83,437
2021-25	243,697	21,874	265,571
2026-28	<u>90,345</u>	<u>2,097</u>	<u>92,442</u>
	\$ <u>724,850</u>	\$ <u>78,352</u>	\$ <u>803,202</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:

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Environmental Infrastructure Trust Fund Loans (Continued)

<u>Year</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>
2016	\$ 120,398	\$ 60,000	\$ 31,638
2017	117,772	60,000	28,638
2018	124,293	65,000	25,638
2019	124,792	70,000	22,388
2020	121,824	75,000	19,088
2021-2025	456,814	230,000	51,562
2026-2029	141,749	120,000	10,573
Deobligation	<u> </u>	<u>(49,510)</u>	<u> </u>
	\$ <u>1,207,642</u>	\$ <u>630,490</u>	\$ <u>189,525</u>

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, 2015, the Township's outstanding notes payable 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	5,900,358	1.50%
15-01	Various Capital Improvements	<u>6,240,977</u>	1.50%
Total Bond Anticipation Notes Payable		<u>17,650,905</u>	
N/A	Special Emergency Note Payable	<u>2,400,000</u>	0.84%

C. Bonds and Notes Authorized but not Issued

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

	<u>2015</u>	<u>2014</u>
General Capital Fund	\$ 1,948,355	\$ 1,948,355

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, 2015 was 0.821%. The Township's remaining borrowing power is 2.679%.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

D. Borrowing Power (Continued)

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 Debt Service

During 2015 and 2014 the following changes occurred in the outstanding debt of the Township:

	<u>Balance Jan. 1, 2015</u>	<u>Increase</u>	<u>Retired</u>	<u>Balance Dec. 31, 2015</u>	<u>Due Within One Year</u>
Current Fund:					
Special Emergency Notes	\$ 3,600,000	\$ 2,400,000	\$ 3,600,000	\$ 2,400,000	\$ 2,400,000
General Capital:					
Serial Bonds	23,737,000	\$ 3,085,000	\$ 6,092,000	20,730,000	2,745,000
Bond Anticipation Notes	11,409,928	6,240,977	-0-	17,650,905	17,650,905
Green Trust loans	806,564	-0-	81,713	724,851	83,357
NJEIT Loans	2,021,155	-0-	183,023	1,838,132	180,398
Other:					
Accumulated Absences	2,843,898	66,499	-0-	2,910,397	-0-
	<u>\$ 44,418,545</u>	<u>\$ 11,792,476</u>	<u>\$ 9,956,736</u>	<u>\$ 46,254,285</u>	<u>\$ 23,059,660</u>
	<u>Balance Jan. 1, 2014</u>	<u>Increase</u>	<u>Retired</u>	<u>Balance Dec. 31, 2014</u>	<u>Due Within One Year</u>
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	-0-	3,125,000	23,737,000	3,168,000
Bond Anticipation Notes	-0-	11,409,928	-0-	11,409,928	11,409,928
Green Trust loans	886,668	-0-	80,104	806,564	81,714
NJEIT Loans	2,197,659	-0-	176,504	2,021,155	183,024
Other:					
Accumulated Absences	3,057,644	-0-	213,746	2,843,898	-0-
	<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>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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 \$2,910,397 and \$2,843,898 at December 31, 2015 and 2014, respectively. A reserve is maintained in the Other Trust Fund and had no balance as of December 31, 2015. 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>2015</u>	<u>2014</u>
Current Fund	\$ 2,072,000 *	\$ 800,000

* Introduced

<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>
2015	\$ 3,582,772	\$ 2,072,000 *
2014	1,753,008	800,000
2013	2,373,336	1,330,000
2012	10,145	-0-
2011	10,145	61,646

* 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>2015</u>	<u>2014</u>
Prepaid Taxes	\$ 1,232,355	\$ 1,097,012

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

Comparative Schedule of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	\$ <u>2.012</u>	\$ <u>1.955</u>	\$ <u>1.907</u>
Apportionment of Tax Rate			
Municipal	.600	.600	.557
Municipal Open Space	.010	.010	.010
County	.404	.395	.392
Local School District	.561	.555	.554
Regional School District	.425	.383	.382
County Open Space	.012	.012	.012
Assessed Valuation			
2015	\$ 5,102,034,098		
2014		\$ 5,094,011,422	
2013			\$ 5,097,672,879

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>Collection</u>	<u>of Collection</u>
2015	\$ 103,129,564	\$ 100,540,548	97.49%
2014	99,811,146	96,457,125	96.63%
2013	97,466,281	94,388,858	96.84%

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>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 688,971	\$ 2,108,170	\$ 2,797,141	2.71%
2014	678,807	3,056,369	3,735,176	3.74%
2013	592,522	2,757,789	3,350,311	3.44%

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.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONTINUED)

Delinquent Taxes and Tax Title Liens (Continued)

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, 2015, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Required to</u> <u>be Raised as</u> <u>2016 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	\$ 85,028	\$ 85,028	\$ -0-
2012 Contractually Required Severance Liabilities	102,678	51,339	51,339
Superstorm Sandy	2,400,000	1,200,000	1,200,000
2013 Contractually Required Severance Liabilities	268,169	89,390	178,779
2014 Contractually Required Severance Liabilities	193,621	48,405	145,216
2015 Contractually Required Severance Liabilities	<u>66,906</u>	<u>13,381</u>	<u>53,525</u>
	\$ <u>3,116,402</u>	\$ <u>1,487,543</u>	\$ <u>1,628,859</u>

The Current Fund has a 0.74% emergency note outstanding at December 31, 2015 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.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$828,915 for 2015.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$21,569,697. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .09609%, which was a decrease of .00446% from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Acturial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	21,569,697	18,825,603
Township's portion of the Plan's total net pension Liability	0.09609%	0.10055%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$826,094.

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

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

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

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

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

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

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
Township's proportionate share of the net pension liability	\$ 26,808,495	\$ 21,569,697	\$ 17,177,528

Pension Plan Fiduciary Net Position

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

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

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

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

The following represents the membership tiers for PFRS:

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

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$1,601,512 for 2015.

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

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PFRS net pension liability is valued to be \$33,133,714. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .19892%, which was a decrease of .00959% from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Acturial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	\$ 33,133,714	\$ 26,228,807
Township's portion of the Plan's total net pension Liability	0.198923%	0.208511%

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

For the year ended December 31, 2015, the Township had an allocated pension expense of \$1,616,951.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$2,905,716 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .19892%, which was a decrease of .00959% from its proportion measured as of June 30, 2014, which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 33,133,714
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>2,905,716</u>
Total Net Pension Liability	<u><u>\$ 36,039,430</u></u>

For the year ended December 31, 2015, the Township's total allocated pension expense was \$1,616,951.

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

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

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

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

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

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

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 47,511,410	\$ 36,039,430	\$ 26,685,055

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (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 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. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts 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 no Township employees enrolled in the DCRP for the years ended December 31, 2015, 2014 and 2013.

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

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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.

The Township contributions to SHBP for the years ended December 31, 2015, 2014 and 2013 were \$2,107,297, \$1,895,558 and \$1,729,084, respectively, which equaled the required contributions for each year. There were approximately 124, 116 and 107 retired participants eligible at December 31, 2015, 2014 and 2013, 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.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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.

	Local District School Tax		Regional School Tax	
	<u>Balance December 31</u>		<u>Balance December 31</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Balance of Tax	\$ 13,626,161	\$ 13,463,958	\$ 10,072,897	\$ 9,047,099
Deferred	<u>13,626,161</u>	<u>13,463,958</u>	<u>10,972,897</u>	<u>9,047,099</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, 2015, 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 2015 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.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 14. CONTINGENT LIABILITIES (CONTINUED)

Pending Litigation (Continued)

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.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2015:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 301,302	\$
Grant Fund		263,641
Animal Control Trust Fund		511
Trust Other Fund		27,756
Payroll Fund	<u> </u>	<u>9,394</u>
	\$ <u>301,302</u>	\$ <u>301,302</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.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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

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.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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, 2015 and 2014 is \$111,061 and \$61,096, 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, 2015 in the Current Fund.

NOTE 19. SUBSEQUENT EVENTS

On January 25, 2016 the Township adopted an ordinance appropriating \$7,991,000 for various capital improvements and the acquisition of various capital equipment and authorizing the issuance of \$7,429,950 in general improvement bonds or notes to finance same.

On April 18, 2016 the Township adopted a resolution providing for the issuance of general obligation bonds for an amount not to exceed \$11,409,000.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-4

Balance December 31, 2014	A	\$	5,218,574.72
Increased by Receipts:			
Prepaid Taxes	\$	1,232,354.57	
Tax Overpayments		5,695.34	
State of New Jersey (Ch. 20, P.L. 1971)		1,645,018.07	
Miscellaneous Revenue not Anticipated		241,676.04	
Change Fund		10.00	
Special Emergency Note Payable		2,400,000.00	
Sales Tax Payable		13,872.59	
Taxes Receivable		100,589,498.69	
Tax Title Liens Receivable		93,792.12	
Revenue Accounts Receivable		9,716,928.18	
Municipal Utility Authorities		235,959.91	
Prior Year Cancelled Checks		8,134.89	
Reserve for Garden State Trust Fund		42,590.00	
Interfunds:			
Grant Fund		350,417.95	
Other		250,751.23	
			<u>116,826,699.58</u>
			122,045,274.30
Decreased by Disbursements:			
Tax Overpayments Refunded		238,567.13	
Municipal Utility Authorities		236,191.40	
Special Emergency Note Payable		3,600,000.00	
Accounts Payable		920.28	
Sales Tax Payable		13,193.70	
Budget Appropriations		37,997,866.55	
Appropriation Reserves		630,341.48	
County Taxes Payable		21,242,598.13	
Regional School Tax		20,633,597.29	
Local School District Tax		28,470,530.00	
Open Space Tax		512,579.12	
Spending Reserves		1,515,792.95	
Interfunds:			
Grant Fund		538,966.93	
Other		244,531.83	
			<u>115,875,676.79</u>
Balance December 31, 2015	A	\$	<u><u>6,169,597.51</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015

Year	Balance Dec. 31, 2014	2015 Levy	Added Amounts	Collections		Due from State	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2015
				2015	2014				
2013 & Prior	\$ 42,230.42	\$ -	\$ -	\$ 33,625.43	\$ -	\$ -	\$ 2,749.31	\$ 2,263.27	\$ 3,592.41
2014	3,014,138.92	-	1,686.33	2,770,305.32	117,987.87	26,750.00	55,475.60	43,809.37	1,497.09
	3,056,369.34	-	1,686.33	2,803,930.75	117,987.87	26,750.00	58,224.91	46,072.64	5,089.50
2015	-	103,129,564.21	17,329.13	97,785,567.94	1,097,011.99	1,657,968.44	231,739.18	271,525.18	2,103,080.61
	<u>\$ 3,056,369.34</u>	<u>\$ 103,129,564.21</u>	<u>\$ 19,015.46</u>	<u>\$ 100,589,498.69</u>	<u>\$ 1,214,999.86</u>	<u>\$ 1,684,718.44</u>	<u>\$ 289,964.09</u>	<u>\$ 317,597.82</u>	<u>\$ 2,108,170.11</u>
<u>Ref.</u>									
<u>Analysis of 2015 Property Tax Yield and Tax Levy</u>									
Tax Yield:									
General Purpose Tax				\$ 102,652,927.04					
Added and Omitted Taxes				<u>476,637.17</u>					
				<u>\$ 103,129,564.21</u>					
Tax Levy:									
Local District School Tax (Abstract)				\$ 28,632,733.00					
Regional School Tax (Abstract)				21,659,395.00					
County Taxes:									
County Tax (Abstract)				\$ 17,936,748.01					
County Library Tax (Abstract)				1,942,140.96					
County Health Tax (Abstract)				698,920.40					
County Open Space Tax (Abstract)				613,984.55					
Due County for Added and Omitted Taxes				98,618.31					
Total County Taxes				21,290,412.23					
Local Open Space Tax				512,579.12					
Local Tax for Municipal Purposes				30,611,766.87					
Add: Additional Tax Levied				<u>422,677.99</u>					
				<u>31,547,023.98</u>					
				<u>\$ 103,129,564.21</u>					

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-6

Balance December 31, 2014		\$ 678,806.79
Increased by:		
Transfers from Taxes Receivable	\$ 289,964.09	
Interest and Costs Accrued at Tax Sale	<u>34,532.91</u>	
		<u>324,497.00</u>
		1,003,303.79
Decreased by:		
Receipts		<u>93,792.12</u>
Balance December 31, 2015		<u><u>\$ 909,511.67</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-7
Sheet 1 of 2

	Ref.	Balance Dec. 31, 2014	Accrued in 2015	Collections	Balance Dec. 31, 2015
Licenses:					
Alcoholic Beverages	A-2	\$ -	\$ 46,126.00	\$ 46,126.00	\$ -
Other	A-2	-	5,467.00	5,467.00	-
Fees and Permits	A-2	-	380,570.85	380,570.85	-
Fines and Costs:					
Municipal Court	A-2	16,633.87	245,622.58	247,957.58	14,298.87
Interest and Costs on Taxes	A-2	-	478,729.53	478,729.53	-
Interest on Investments and Deposits	A-2	-	6,105.51	6,105.51	-
Beach Admission Fees	A-2	-	97,439.00	97,439.00	-
Municipal Golf Course	A-2	-	602,854.71	602,854.71	-
Berkeley Township Board of Education - Trash	A-2	-			
Water and Cable Franchise Fees	A-2	-	206,679.24	206,679.24	-
Hotel and Motel Occupancy Tax	A-2	-	26,055.52	26,055.52	-
State Aid:					
Energy Receipts Tax	A-2	-	4,213,875.00	4,213,875.00	-
Garden State Trust Fund	A-2	-	42,590.00	42,590.00	-
Special Items of Revenue:					
Interlocal Services Agreements:					
Animal Control Services	A-2	-	19,916.18	19,916.18	-
Berkeley Board of Education Fuel Facilities	A-2	-	75,172.95	75,172.95	-
Central Regional Board of Education Fuel Facilities	A-2	-	122,468.55	122,468.55	-
Fire Protection	A-2	-	26,500.00	26,500.00	-
Community Service Officer Program - Ambulance Service	Fe A-2	-	489,052.54	489,052.54	-
FEMA Reimbursement - Hurricane Sandy Event	A-2	-	2,080,000.00	2,080,000.00	-
Health Care Coverage - Employee Percentage	A-2	-	402,190.63	402,190.63	-
Ocean County Recycling Revenue Sharing Program	A-2	-	25,843.79	25,843.79	-

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Ref.	Balance Dec. 31, 2014	Accrued in 2015	Collections	Balance Dec. 31, 2015
Refuge Revenue Sharing Act	A-2	-	888.00	888.00	-
Capital Fund Reserve for Cash	A-2	-	70,629.00	70,629.00	-
Senior/Veteran Administration Fee	A-2	-	33,970.36	33,970.36	-
Surplus from the Berkeley Township Municipal Utility Authority	A-2	-	86,254.00	86,254.00	-
Surplus from the Berkeley Township Sewer Authority	A-2	-	410,000.00	410,000.00	-
Uniform Fire Safety Act	A-2	-	27,415.71	27,415.71	-
		<u>\$ 16,633.87</u>	<u>\$ 10,222,416.65</u>	<u>\$ 10,224,751.65</u>	<u>\$ 14,298.87</u>
	Ref.	A			A
Receipts	A-4			\$ 9,716,928.18	
Garden State Trust Fund Reserve	A-14			42,590.00	
FEMA Reimbursement Receivable	A			465,233.47	
				<u>\$ 10,224,751.65</u>	

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-8

Date Authorized	Improvement Description	1/5 of		Balance Dec. 31, 2014	2015 Authorization	2015 Budget Appropriation	Balance Dec. 31, 2015
		Net Amount Authorized	Net Amount Authorized				
11/14/2011	Contractually Required Severance	\$ 435,149.52	\$ 87,029.90	\$ 172,062.81	\$ -	\$ 87,034.41	\$ 85,028.40
12/11/2012	Contractually Required Severance	256,695.52	51,339.10	154,017.32	-	51,339.10	102,678.22
12/31/2012	Superstorm Sandy	6,000,000.00	1,200,000.00	3,600,000.00	-	1,200,000.00	2,400,000.00
12/30/2013	Contractually Required Severance	446,948.55	89,389.71	357,558.84	-	89,389.71	268,169.13
11/24/2014	Contractually Required Severance	242,026.80	48,405.36	242,026.80	-	48,405.36	193,621.44
12/14/2015	Contractually Required Severance	66,906.24	13,381.25	-	66,906.24	-	66,906.24
				<u>\$ 4,525,665.77</u>	<u>\$ 66,906.24</u>	<u>\$ 1,476,168.58</u>	<u>\$ 3,116,403.43</u>

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TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-9
Sheet 1 of 3

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>OPERATIONS WITHIN CAPS</u>					
<u>General Government Functions</u>					
General Administration					
Salaries and Wages	\$ 13,055.31	\$ -	\$ 3,055.31	\$ 3,055.31	\$ -
Other Expenses	2,322.22	1,676.38	4,676.38	3,073.00	1,603.38
Human Resources					
Salaries and Wages	1,239.61	-	1,239.61	-	1,239.61
Other Expenses	0.22	-	0.22	-	0.22
Office of the Mayor					
Salaries and Wages	0.08	-	0.08	-	0.08
Other Expenses	162.70	-	-	-	-
Township Council					
Other Expenses	382.30	93.20	93.20	-	93.20
Municipal Clerk					
Other Expenses	-	150.45	150.45	106.57	43.88
Financial Administration					
Salaries and Wages	15,120.72	-	15,120.72	7,748.55	7,372.17
Other Expenses	681.50	199.00	719.22	719.22	-
Audit Services					
Other Expenses	3,429.00	-	-	-	-
Revenue Administration (Tax Collection)					
Salaries and Wages	8,040.21	-	8,040.21	-	8,040.21
Other Expenses	-	6,671.77	6,763.02	6,520.75	242.27
Tax Assessment Administration					
Salaries and Wages	3,606.79	-	3,606.79	-	3,606.79
Other Expenses	229.20	224.67	224.67	224.67	-
Legal Services					
Other Expenses	-	226.17	74,093.34	71,233.33	2,860.01
Municipal Court:					
Salaries and Wages	3,927.68	-	3,927.68	-	3,927.68
Other Expenses	3,013.28	2,130.66	2,087.42	1,898.42	189.00
Public Defender (P.L. 1997, c256)					
Other Expenses	-	26.50	26.50	-	26.50
Engineering Services					
Other Expenses	-	3.87	11,083.00	11,082.24	0.76
<u>Land Use Administration</u>					
Planning Board / Director of Planning					
Other Expenses	-	0.35	7,180.99	7,180.99	-
Planning Board					
Salaries and Wages	442.14	-	-	-	-
Other Expenses	-	1.91	14,571.36	14,571.35	0.01
Division of Zoning					
Salaries and Wages	-	-	-	-	-
Other Expenses	500.48	103.17	103.17	74.37	28.80
Zoning Board of Adjustment					
Salaries and Wages	353.86	-	-	-	-
Other Expenses	-	453.25	453.25	46.25	407.00
<u>Insurances</u>					
General Liability	52,436.81	-	90.00	-	90.00
Workers Compensation	1,325.18	-	20,608.84	20,608.84	-
Employee Group Insurance	-	6,521.63	5,586.63	5,511.63	75.00

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-9
Sheet 2 of 3

	Balance Dec. 31, 2014	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
<u>Public Safety Functions</u>					
Police Department					
Salaries and Wages	172,604.63	-	130,658.03	86,917.51	43,740.52
Other Expenses	25,437.40	49,954.36	45,887.73	42,807.22	3,080.51
Emergency Management					
Salaries and Wages	-	-	-	(4,494.62)	4,494.62
Other Expenses	126.29	122.00	122.00	122.00	-
Aid to Volunteer Fire Companies					
Other Expenses	426.09	56,214.16	55,597.15	55,262.21	334.94
Fire Department					
Salaries and Wages	1,055.79	-	1,055.79	1,055.79	-
Other Expenses	2,246.21	219.23	219.23	219.06	0.17
Municipal Prosecutor:					
Other Expenses	5,000.00	1,000.00	3,562.50	3,562.50	-
<u>Public Works Functions</u>					
Streets and Roads Maintenance:					
Salaries and Wages	10,334.62	-	10,334.62	10,334.62	-
Other Expenses	1,043.72	7,110.95	7,566.25	5,674.22	1,892.03
Contractual	430.68	18,146.00	18,146.00	-	18,146.00
Other Public Works Functions/ Signs, Maintenance					
Other Expenses	1,100.13	7,667.22	7,667.22	7,667.22	-
Sanitation/Solid Waste Collection:					
Other Expenses	179.16	18,142.31	14,102.95	8,551.70	5,551.25
Solid Waste Collection/Recycling					
Salaries and Wages	1,434.22	-	1,434.22	1,434.22	-
Other Expenses	-	1,069.37	1,024.37	489.37	535.00
Buildings and Grounds:					
Salaries and Wages	7,144.54	-	7,144.54	4,187.22	2,957.32
Other Expenses	2,001.75	116.67	1,072.79	1,072.79	-
Equipment Maintenance					
Salaries and Wages	10,462.47	-	10,462.47	8,101.30	2,361.17
Other Expenses	846.83	4,657.14	5,337.50	5,337.50	-
<u>Animal Control Services</u>					
Salaries and Wages	1,041.00	-	1,041.00	1,041.00	-
Other Expenses	891.78	907.02	867.04	867.04	-
<u>Parks and Recreation</u>					
Recreation Services and Programs					
Other Expenses	2,360.33	1,687.30	1,563.10	1,399.34	163.76
Recreation Services and Programs/Golf Course					
Other Expenses	2,837.44	5,645.54	6,403.52	6,088.34	315.18
Maintenance of Parks					
Salaries and Wages	2,184.83	-	2,184.83	2,184.83	-
Other Expenses	1,312.62	1,360.77	1,360.77	313.82	1,046.95
Beach and Boardwalk Operations					
Salaries and Wages	0.96	-	-	-	-
Other Expenses	0.48	-	-	-	-
<u>Utilities and Bulk Purchases</u>					
Utilities					
Other Expenses	11,039.41	11,029.12	43,741.21	43,741.21	-
Street Lighting					
Other Expenses	38,356.17	0.22	40,046.99	40,046.99	-
Gasoline					
Other Expenses	72,721.46	6,717.55	93,163.97	91,227.75	1,936.22
Fire Hydrants					
Other Expenses	9,339.10	5,120.00	14,459.10	11,697.28	2,761.82

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-9
Sheet 3 of 3

	Balance Dec. 31, 2014	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
<u>Landfill/Solid Waste</u>					
Landfill/Solid Waste Disposal Costs					
Other Expenses/Tipping	31.00	984.00	984.00	984.00	-
<u>Code Enforcement and Administration</u>					
Other Code Enforcement Functions:					
Salaries and Wages	2,876.16	-	2,876.16	-	2,876.16
Other Expenses	98.64	318.73	318.73	318.73	-
Total Operations within Caps	497,235.20	216,672.64	713,907.84	591,867.65	122,040.19
Contingent	1,970.45	-	1,970.45	1,966.51	3.94
Total Operations within Caps including Contingent	499,205.65	216,672.64	715,878.29	593,834.16	122,044.13
<u>STATUTORY EXPENDITURES WITHIN CAPS</u>					
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System	11,257.62	-	11,257.62	11,257.62	-
Total Deferred Charges and Statutory Expenditures within Caps	11,257.62	-	11,257.62	11,257.62	-
Total Appropriations within Caps	510,463.27	216,672.64	727,135.91	605,091.78	122,044.13
<u>OPERATIONS EXCLUDED FROM CAPS</u>					
Length of Service Awards Program (N.J.A.C. 5:30-14.25)					
Other Expenses	15,653.00	-	15,653.00	1,000.00	14,653.00
Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc))					
Salaries and Wages	-	-	-	-	-
Other Expenses	86.72	2,347.00	2,433.72	823.50	1,610.22
Recycling Enhancement Act (P.L. 2007 c.311)					
Other Expenses	-	23,901.33	23,901.33	16,926.20	6,975.13
<u>Interlocal Municipal Service Agreements</u>					
Ocean County Health - Animal Control					
Other Expenses	33,194.00	-	33,194.00	-	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	-	6,500.00	6,500.00	6,500.00	-
Central Regional Board of Education - Fuel					
Other Expenses	52,025.73	-	52,025.73	-	52,025.73
Total Operations excluded from Caps	103,459.45	32,748.33	136,207.78	25,249.70	110,958.08
Total General Appropriations	<u>\$ 613,922.72</u>	<u>\$ 249,420.97</u>	<u>\$ 863,343.69</u>	<u>\$ 630,341.48</u>	<u>\$ 233,002.21</u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-10

Balance December 31, 2014:	
School Tax Deferred	\$ 13,463,958.01
Increased by:	
Levy for School Year July 1, 2015	
to June 30, 2016	28,632,733.00
	<u>42,096,691.01</u>
Decreased by:	
Disbursements	<u>28,470,530.00</u>
Balance December 31, 2015:	
School Tax Deferred	<u><u>\$ 13,626,161.01</u></u>
<u>2015 Charge to Operations for Regional School Tax</u>	
Balance December 31, 2014 - School Tax Deferred	\$ 13,463,958.01
Add: 2015-2016 School Tax Levy	28,632,733.00
Less: Ending Balance December 31, 2015 - School Tax Deferred	<u>(13,626,161.01)</u>
Amount Charged to 2015 Operations	<u><u>\$ 28,470,530.00</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-11

Balance December 31, 2014:	
School Tax Deferred	\$ 9,047,099.39
Increased by:	
Levy for School Year July 1, 2015	
to June 30, 2016	<u>21,659,395.00</u>
	30,706,494.39
Decreased by:	
Disbursements	<u>20,633,597.29</u>
Balance December 31, 2015:	
School Tax Deferred	<u><u>\$ 10,072,897.10</u></u>
<u>2015 Charge to Operations for Regional School Tax</u>	
Balance December 31, 2014 - School Tax Deferred	\$ 9,047,099.39
Add: 2015-2016 School Tax Levy	21,659,395.00
Less: Ending Balance December 31, 2015 - School Tax Deferred	<u>(10,072,897.10)</u>
Amount Charged to 2015 Operations	<u><u>\$ 20,633,597.29</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-12

Balance December 31, 2014		\$ 50,804.21
2015 Tax Levy:		
County Tax (Abstract)	\$ 17,936,748.01	
County Library Tax (Abstract)	1,942,140.96	
County Health Tax (Abstract)	698,920.40	
County Open Space Tax (Abstract)	613,984.55	
Due County for Added and Omitted Taxes	<u>98,618.31</u>	
		<u>21,290,412.23</u>
		21,341,216.44
Decreased by:		
Disbursements		<u>21,242,598.13</u>
Balance December 31, 2015		<u><u>\$ 98,618.31</u></u>

CURRENT FUND
SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-13

Balance December 31, 2014		\$ -
Increased by:		
Levy Calendar Year 2015		<u>512,579.12</u>
		512,579.12
Decreased by:		
Disbursements		<u>512,579.12</u>
Balance December 31, 2015		<u><u>\$ -</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF SPENDING RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-14

<u>Description</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorization</u>	<u>Expended</u>	<u>Balance Dec. 31, 2015</u>
Contractually Required Severance	\$ 277,906.91	\$ 66,906.24	\$ 294,812.75	\$ 50,000.40
Revaluation	53,754.35	-	-	53,754.35
Storm Damage - Superstorm Sandy	<u>1,767,626.90</u>	<u>-</u>	<u>1,220,980.20</u>	<u>546,646.70</u>
	<u>\$ 2,099,288.16</u>	<u>\$ 66,906.24</u>	<u>\$ 1,515,792.95</u>	<u>\$ 650,401.45</u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-15

	Total (Memo Only)	Other Trust Fund	Animal Control Trust Fund	Payroll Fund
Balance December 31, 2014 - (Due From)/Due To	\$ (57,478.22)	\$ (42,744.70)	\$ (1,473.38)	\$ (13,260.14)
Increased by:				
Disbursed	244,531.83	208,231.92	-	36,299.91
Statutory Excess	510.56	-	510.56	-
Total Increases	<u>245,042.39</u>	<u>208,231.92</u>	<u>510.56</u>	<u>36,299.91</u>
Total Increases and Balances	<u>(302,520.61)</u>	<u>(250,976.62)</u>	<u>(1,983.94)</u>	<u>(49,560.05)</u>
Decreased by:				
Receipts	250,751.23	223,220.61	1,473.38	26,057.24
Payroll Fund Adjustment	14,108.79	-	-	14,108.79
Total Increases	<u>264,860.02</u>	<u>223,220.61</u>	<u>1,473.38</u>	<u>40,166.03</u>
Balance December 31, 2015 - (Due From)/Due To	<u><u>\$ (37,660.59)</u></u>	<u><u>\$ (27,756.01)</u></u>	<u><u>\$ (510.56)</u></u>	<u><u>\$ (9,394.02)</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF INTERFUND
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-16

Balance December 31, 2014 - (Due From)		\$ (100,287.21)
Increased by:		
Appropriated Reserve Expenditures:		
Disbursements	\$ 538,966.93	
Appropriated Reserves Cancelled	27,589.40	
2015 Revenue Anticipated	<u>530,467.95</u>	
		<u>1,097,024.28</u>
		1,197,311.49
Decreased by:		
Deposited in Current Fund:		
Grants Receivable	344,361.14	
Unappropriated Reserves	6,056.81	
Grants Receivable Cancelled	38,997.35	
2015 Budget Appropriations	<u>544,255.45</u>	
		<u>933,670.75</u>
Balance December 31, 2015 - (Due From)		<u><u>\$ (263,640.74)</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Grant</u>	2015				<u>Canceled</u>	<u>Balance Dec. 31, 2015</u>
	<u>Balance Dec. 31, 2014</u>	<u>Budget Revenue</u>	<u>Realized</u>			
Homeland Security Grants-2012 and Prior	\$ 17,694.82	\$ -	\$ -	\$ 17,694.82	\$ -	
CDBG Parking Facilities/Volunteer Community Center	33,000.00	-	-	-	33,000.00	
Click It Or Ticket - 2014	100.00	-	-	100.00	-	
DOJ - Bulletproof Vest Partnership	9,501.62	10,194.28	7,492.00	-	12,203.90	
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 2013	18,158.49	-	14,036.22	-	4,122.27	
Homeland Security Grant - FY 2014	33,066.00	-	-	-	33,066.00	
Municipal Alliance on Alcoholism and Drug Abuse - 2013	2,694.08	-	-	2,694.08	-	
Municipal Alliance on Alcoholism and Drug Abuse - 2014 TY	448.41	-	-	-	448.41	
Municipal Alliance on Alcoholism and Drug Abuse - 2014 FY	33,638.00	-	30,665.72	-	2,972.28	
NJ 966 Reimbursement Program - FY 2014	1,733.28	-	-	-	1,733.28	
NJ DEP Mini Grant-Cedar Creek Fish Project	11,000.00	-	8,900.00	2,100.00	-	
NJ Department of Law and Public Safety - 966 Grant	1,541.13	-	-	1,541.13	-	
NJ Department of Law and Public Safety - 966 Grant - FY 2010	10,885.11	-	-	2,325.61	8,559.50	
NJ Department of Law and Public Safety - 966 Grant - FY 2011	7,040.00	-	-	7,040.00	-	
NJ Department of Law and Public Safety - 966 Grant - FY 2012	845.50	-	-	845.50	-	
NJ Department of Law and Public Safety - 966 Grant - FY 2015	31,174.85	-	31,155.14	19.71	-	
NJ DOT - Various Road Improvements	200,000.00	-	-	-	200,000.00	
NJ Economic Development Authority Public Entity Grant	186,663.00	-	96,147.00	-	90,516.00	
NJ Office of Emergency Management	636.50	-	-	636.50	-	
Ocean - Municipal Recycling Grant Program	7,213.00	-	-	-	7,213.00	
Ocean County Tourism Grant	1,000.00	-	-	1,000.00	-	
Post Sandy Planning Assistance Grant	277,000.00	-	-	-	277,000.00	
Post Sandy Planning Assistance Grant	1,252.52	-	-	-	1,252.52	
Municipal Alcohol Education Rehabilitation Program - 2015 FY	-	33,638.00	6,136.26	-	27,501.74	
Clean Communities Grant 2015	-	130,593.07	130,593.07	-	-	
Ocean Municipal Recycling Grant Program	-	7,213.00	-	-	7,213.00	
Click It Or Ticket - 2015	-	3,600.00	3,600.00	-	-	
Ocean County Tourism Grant	-	700.00	700.00	-	-	

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-17
Page 2 of 2

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>2015</u>		<u>Realized</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
		<u>Budget</u>	<u>Revenue</u>			
Municipal Alcohol Education Rehabilitation Program - 2015 FY	-	235.73		235.73	-	-
2015 Drive Sober Or Get Pulled Over Labor Day Grant	-	5,000.00		4,800.00	-	200.00
NJ EDA Public Entity Grant Program	-	12,500.00		-	-	12,500.00
Hazard Discharge Site - AT&T Property	-	30,708.00		-	-	30,708.00
Hazard Mitigation Grant - Federal Portion - Municipal Building	-	110,926.00		-	-	110,926.00
Hazard Mitigation Grant - Federal Portion - Recreation Building	-	63,500.00		-	-	63,500.00
Hazard Mitigation Grant - Federal Portion - Police Building	-	83,976.00		-	-	83,976.00
Ocean County Tourism Grant - 2015	-	1,000.00		1,000.00	-	-
Bulletproof Vest Program 2015	-	7,683.87		-	-	7,683.87
Cops in Crosswalk Grant 2015	-	8,000.00		-	-	8,000.00
2015 Year End Holiday Crackdown Grant	-	5,000.00		-	-	5,000.00
FY2015 Homeland Security Grant	-	14,000.00		-	-	14,000.00
Cops In Shop	-	2,000.00		1,400.00	-	600.00
	<u>\$ 1,112,186.31</u>	<u>\$ 530,467.95</u>		<u>\$ 344,361.14</u>	<u>\$ 38,997.35</u>	<u>\$ 1,259,295.77</u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-18
Sheet 1 of 2

<u>Grant</u>	<u>Balance</u>	<u>Transfer from</u>	<u>Reserve for</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u>
	<u>Dec. 31, 2014</u>	<u>2015 Budget</u> <u>Appropriation</u>	<u>Encumbrances</u>			<u>Dec. 31, 2015</u>
Body Armor Grant - 2011	\$ 1,711.69	\$ -	\$ 4,412.00	\$ 4,412.00	\$ -	\$ 1,711.69
Body Armor Grant - 2012	6,128.99	-	-	4,776.50	-	1,352.49
Body Armor Grant - 2014	8,605.72	-	-	-	-	8,605.72
Body Armor Grant - 2014	6,826.35	-	-	-	-	6,826.35
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	1,827.02	-	-	-	-	1,827.02
Clean Communities Program-2014	20,763.67	-	6,650.00	24,550.70	-	2,862.97
Click It or Ticket	400.00	-	-	-	400.00	-
Click It or Ticket 2014	100.00	-	-	-	100.00	-
DOT - Various Road Improvements	200,000.00	-	-	-	-	200,000.00
Drive Sober or Get Pulled Over 2014	500.00	-	-	500.00	-	-
Drive Sober or Get Pulled Over 2014 Holiday Grant	7,500.00	-	-	7,500.00	-	-
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	-	-	4,585.83	-	414.17
Energy Allocation Initiative	215,400.00	-	-	20,360.00	-	195,040.00
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	-	1,479.12	-
Homeland Security Grant - FY 2012	3.34	-	-	-	3.34	-
Homeland Security Grant - FY 2013	10,183.81	-	7,974.68	14,036.22	-	4,122.27
Homeland Security Grant - FY 2014	33,066.00	-	-	30,136.30	-	2,929.70
Municipal Alliance - 2013	1.15	-	-	-	1.15	-
Municipal Alliance - 2014 Fiscal State Year	19,833.07	-	-	16,232.02	-	3,601.05
Municipal Alliance - 2014 Transition Year	3,190.67	-	-	-	-	3,190.67
Municipal Alliance - 2014 Local Match - Transition Year	6,183.24	-	-	6,183.24	-	-
Municipal Alliance - 2014	7,213.00	-	-	3,111.34	-	4,101.66
NJ 966 Grant - FY 2010	-	-	1,039.93	-	-	1,039.93
NJ 966 Grant - FY 2011	7,040.00	-	-	-	7,040.00	-
NJ 966 Reimbursement Program - FY 2012	737.50	-	-	-	737.50	-
NJ 966 Reimbursement Program - FY 2014	1,231.73	-	-	-	-	1,231.73
NJ 966 Reimbursement Program - FY 2015	31,174.85	-	-	31,155.14	19.71	-

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-18
Sheet 2 of 2

<u>Grant</u>	<u>Balance Dec. 31, 2014</u>	<u>Transfer from 2015 Budget Appropriation</u>	<u>Reserve for Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2014</u>
NJ DEP Mini Grant-Cedar Creek Fish Project	16,000.00	-	-	13,900.00	2,100.00	-
NJ Drunk Driving Enforcement	7,452.78	-	-	945.70	8.41	6,498.67
NJ Office of Emergency Management	636.90	-	571.00	-	1,207.90	-
NJEDA - Public Entity Grant	1,433.12	-	77.81	77.81	-	1,433.12
Post Sandy Planning Assistance Grant	277,000.00	-	-	274,443.14	-	2,556.86
Post Sandy Planning Assistance Grant	15,438.22	-	-	14,224.70	-	1,213.52
Recycling Tonnage Grant - 2010	462.85	-	-	-	-	462.85
State of NJ Department of Health and Senior Services - Hepatitis B	385.00	-	140.00	-	-	525.00
Tourism Grant	5.00	-	-	-	5.00	-
Ocean County Tourism Grants	-	1,700.00	-	-	-	1,700.00
Hazard Mitigation Grant Program - Townhall - Local Share	-	2,114.00	-	917.50	-	1,196.50
Hazard Mitigation Grant Program - Townhall - Federal Share	-	110,926.00	-	18,389.96	-	92,536.04
NJEDA Public Entity Grant	-	12,500.00	-	9,151.15	-	3,348.85
Cops In Shop	-	2,000.00	-	2,000.00	-	-
Alcohol Education & Rehabilitation Grant	-	235.73	-	-	-	235.73
Hazardous Discharge Remediation Grant - AT&T Building	-	30,708.00	-	-	-	30,708.00
2014 Municipal Recycling Grant	-	7,213.00	-	-	-	7,213.00
Hazard Mitigation Grant Program - Recreation - Federal Share	-	63,500.00	-	6,423.75	-	57,076.25
Hazard Mitigation Grant Program - Police - Local Share	-	3,264.00	-	2,537.50	-	726.50
Hazard Mitigation Grant Program - Police - Federal Share	-	83,976.00	-	713.75	-	83,262.25
Body Armor Fund - 2015	-	10,194.28	-	-	-	10,194.28
Bulletproof Vest Partnership 2015	-	7,683.87	-	-	-	7,683.87
Click It Or Ticket 2015	-	3,600.00	-	3,600.00	-	-
Drive Sober Or Get Pulled Over 2015 Labor Day	-	5,000.00	-	4,937.50	-	62.50
Cops in Crosswalk Grant 2015	-	8,000.00	-	8,000.00	-	-
2015 Year End Holiday Crackdown Grant	-	5,000.00	-	2,100.00	-	2,900.00
Homeland Security Grant - FY 2015	-	14,000.00	-	-	-	14,000.00
Clean Communities Grant - 2015	-	130,593.07	-	119,525.77	-	11,067.30
Municipal Alliance - 2015 Fiscal State Year	-	33,638.00	-	10,002.77	-	23,635.23
Municipal Alliance - 2015 Local Match	-	8,409.50	-	3,599.55	-	4,809.95
	<u>\$ 990,519.18</u>	<u>\$ 544,255.45</u>	<u>\$ 21,379.92</u>	<u>\$ 668,029.84</u>	<u>\$ 27,589.40</u>	<u>\$ 860,535.31</u>
Paid by Current Fund				\$ 538,966.93		
Reserve for Encumbrances				129,062.91		
				<u>\$ 668,029.84</u>		

A-16
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TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit A-19

<u>Grant</u>	<u>Balance Dec. 31, 2014</u>	<u>Received</u>	<u>Balance Dec. 31, 2015</u>
Body Armor	<u>\$ -</u>	<u>\$ 6,056.81</u>	<u>\$ 6,056.81</u>

TRUST FUND

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TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit B-1

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>
Balance December 31, 2014	\$ 74,491.98	\$ 7,494,191.27
Increased by Receipts:		
Animal Control License Fees	\$ 50,719.72	
Miscellaneous Reserves	-	-
Reserve For Open Space	-	7,020,741.04
Due to State of New Jersey	5,385.60	512,794.17
Interfund - Current Fund	-	60,622.00
	<u>56,105.32</u>	<u>5,264,611.70</u>
	130,597.30	12,858,768.91
		<u>20,352,960.18</u>
Decreased by Disbursements:		
Expenditures Under R.S. 4:19-15.11	51,163.27	
Miscellaneous Reserves	-	-
Reserve for Open Space	-	6,659,003.20
Due to State of New Jersey	5,288.40	511,403.65
Interfund - Current Fund	1,473.38	60,512.00
	<u>57,925.05</u>	<u>5,234,778.45</u>
		<u>12,465,697.30</u>
Balance December 31, 2015	<u>\$ 72,672.25</u>	<u>\$ 7,887,262.88</u>

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
TRUST FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Exhibit B-2

Balance December 31, 2014		\$ 73,018.60
Increased by:		
Animal Control License Fees Collected		<u>50,719.72</u>
		123,738.32
Decreased by:		
Interfund - Current Fund:		
Statutory Excess Due to Current Fund	\$ 510.56	
Expenditures Under R.S. 4:19-15.11	<u>51,163.27</u>	
		<u>51,673.83</u>
Balance December 31, 2015		<u><u>\$ 72,064.49</u></u>

License and Penalty Fees Collected

<u>Year</u>	<u>Amount</u>
2014	\$ 35,862.09
2013	<u>36,202.40</u>
	<u><u>\$ 72,064.49</u></u>

**ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Exhibit B-3

Balance December 31, 2014		\$ -
Increased by:		
2015 Animal License Fees		<u>5,385.60</u>
		5,385.60
Decreased by:		
Fees Paid to State		<u>5,288.40</u>
Balance December 31, 2015		<u><u>\$ 97.20</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
OTHER TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit B-4

Balance December 31, 2014 - Due To		\$ 42,744.70
Increased by:		
Miscellaneous Reserves	\$ 20,467.56	
Receipts	<u>5,264,611.70</u>	
		<u>5,285,079.26</u>
		5,327,823.96
Decreased by:		
Reserve for Open Space	1,035.00	
Due to Payroll Account	64,254.50	
Disbursements	<u>5,234,778.45</u>	
		<u>5,300,067.95</u>
Balance December 31, 2015 - Due To		<u><u>\$ 27,756.01</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
OTHER TRUST FUND
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit B-5

Balance December 31, 2014		\$ 6,678,907.56
Increased by:		
Receipts		<u>7,020,741.04</u>
		13,699,648.60
Decreased by:		
Disbursements	6,659,003.20	
Interfund - Current Fund	<u>20,467.56</u>	
		<u>6,679,470.76</u>
Balance December 31, 2015		<u><u>\$ 7,020,177.84</u></u>

Analysis of Balance

Reserve for:		
Law Enforcement		\$ 47,202.72
Allied Risk Management (PMA)		22,566.14
Sanitary Landfill		12,953.60
Unemployment Compensation		12,407.19
Construction Code		33,534.72
Tree Inspection Fees		5,667.03
Tax Map Maintenance		2,107.80
Developer Application Review		70,642.54
Recreation Fees Trust		26,037.30
Founders Day (Special Events Activities)		21,579.27
Drainage Improvements		152,831.62
Affordable Housing		400,123.92
Uniform Fire Safety Act - Penalty Monies		13,377.65
Fire Prevention Donations		1,774.07
Street Opening		72,424.25
DARE		17,627.83
Fire Donations		4,050.00
Tree Planting Donations		1,017.02
Developers Road Impact		148,466.00
Public Defender		10,166.76
Tax Sale Premium		3,059,250.00
POAA		525.86
Disposal of Forfeited Property		4,082.39
Third Party Liens		313,606.00
Developers Escrow		2,010,979.51
Outside Employment - Off Duty Police		9,041.47
Inspection Fees - Grading		5,002.59
Snow Removal		1,501.69
Planning/Zoning Board Escrow		164,145.35
Reserve for ABC		63.00
Reserve for Berkeley Estates		315,449.69
Municipal Alliance Donations		6,218.14
Foreclosure		11,112.88
Inspection Holly Park		3,141.84
Recreation - Open Space		<u>39,500.00</u>
		<u><u>\$ 7,020,177.84</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
OTHER TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit B-6

Balance December 31, 2014		\$ 771,864.01
Increased by:		
2015 Tax Levy - Open Space	\$ 512,579.12	
Park Fees	1,035.00	
Interest on Deposits	<u>215.05</u>	
		<u>513,829.17</u>
		1,285,693.18
Decreased by:		
Disbursements	<u>511,403.65</u>	
		<u>511,403.65</u>
Balance December 31, 2015		<u><u>\$ 774,289.53</u></u>

SCHEDULE OF RESERVE FOR LENGTH OF SERVICE
AWARDS PROGRAM (LOSAP) - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit B-7

Balance December 31, 2014		\$ 1,725,024.56
Increased by:		
Contributions	\$ 206,957.00	
Interest Earned	10,509.14	
Adjustments	<u>17.77</u>	
		<u>217,483.91</u>
		1,942,508.47
Decreased by:		
Distributions	181,284.91	
Losses	<u>3,206.27</u>	
		<u>184,491.18</u>
Balance December 31, 2015		<u><u>\$ 1,758,017.29</u></u>

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GENERAL CAPITAL FUND

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TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit C-1

Balance December 31, 2014		\$ 4,995,609.85
Increased by:		
Budget Appropriation:		
Capital Improvement Fund	\$ 330,000.00	
Grants Receivable	117,500.00	
Bond Anticipation Notes	6,240,977.00	
Reserve for Payment of Debt	<u>64,966.44</u>	
		<u>6,753,443.44</u>
		11,749,053.29
Decreased by:		
Improvement Authorizations	5,882,586.22	
Utilized as Current Fund Antcipated Revenue:		
Reserve for Payment of Debt	<u>70,629.00</u>	
		<u>5,953,215.22</u>
Balance December 31, 2015		<u><u>\$ 5,795,838.07</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL CAPITAL FUND
ANALYSIS OF CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit C-2

	Receipts				Disbursements			
	Balance Dec. 31, 2014	Notes Issued	Miscellaneous		Improvement Authorizations	Transfers		Balance Dec. 31, 2015
						From	To	
Capital Improvement Fund	\$ 19,756.47	\$ -	\$ 330,000.00	\$ -	\$ -	\$ 328,472.50	\$ -	\$ 21,283.97
Grants Receivable	(668,500.42)	-	117,500.00	-	-	-	17,500.00	(533,500.42)
Reserve for Encumbrances	3,373,333.66	-	-	-	-	3,373,333.66	4,371,616.97	4,371,616.97
Reserve for Debt Service	70,629.00	-	64,966.44	-	-	-	-	64,966.44
Improvement Authorizations:								
Ordinance	Improvement Description							
Number	Number							
01-03	Various Capital Improvements	-	-	6,187.00	-	-	-	3,627.45
06-31	Various Capital Improvements	-	-	193.87	-	-	193.87	186,082.78
07-13	Various Capital Improvements	-	-	11,438.00	-	-	11,438.00	-
07-26	Removal, Closure, Disposal and Replacement of Tanks and Site Remediation	-	-	77.96	-	-	77.96	-
08-10	Various Capital Improvements	-	-	9,158.02	-	-	9,158.02	(30,119.54)
09-11, 09-26	Various Capital Improvements	-	-	54,625.50	-	19,818.00	55,331.74	50,581.45
10-31	Various Capital Improvements	-	-	22,399.98	-	2,936.60	57,813.09	(13,586.89)
11-18	Various Capital Improvements	-	-	14,094.73	-	24,189.10	28,906.16	45,936.80
12-14	Various Capital Improvements	-	-	152,472.03	-	414,044.03	222,648.56	(21,484.45)
13-26	Various Capital Improvements	-	-	787,724.34	-	294,691.93	1,164,687.44	(226,793.20)
14-03	Various Capital Improvements	-	-	3,281,424.59	-	309,122.33	1,823,078.82	174,882.39
15-01	Various Capital Improvements	6,240,977.00	-	1,542,790.20	-	3,324,314.98	328,472.50	1,702,344.32
		\$6,240,977.00	\$ 512,466.44	\$ 5,882,586.22	\$ 70,629.00	\$8,090,923.13	\$8,090,923.13	\$5,795,838.07

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN) **Exhibit C-3**
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014		\$ 26,564,719.77
Increased by:		
Improvement Costs Funded by:		
Refunding Bonds Issued:		
Defeasance of Serial Bonds	\$ 2,879,000.00	
Additional Bonds Issued	<u>206,000.00</u>	
		<u>3,085,000.00</u>
		29,649,719.77
Decreased by:		
Budgeted Principal Reductions:		
Serial Bonds	3,213,000.00	
NJEIT Loans	183,023.74	
Green Trust Loans	81,714.13	
Defeasance of Serial Bonds	<u>2,879,000.00</u>	
		<u>6,356,737.87</u>
Balance December 31, 2015		<u><u>\$ 23,292,981.90</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)

Exhibit C-4

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

FOR THE YEAR ENDED DECEMBER 31, 2015

Ordinance Number	Improvement Description	Balance		2015 Authorizations	Balance Dec. 31, 2015	Notes Payable	Analysis of Balance	
		Dec. 31, 2014	Dec. 31, 2015				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	-	13,586.89	36,413.11
12-14	Various Capital Improvements	1,415,020.00	-	-	1,415,020.00	1,132,904.00	21,484.45	260,631.55
13-26	Various Capital Improvements	5,758,693.00	-	-	5,758,693.00	4,376,666.00	226,793.20	1,155,233.80
14-03	Various Capital Improvements	6,100,358.50	-	-	6,100,358.50	5,900,358.00	-	200,000.50
15-01	Various Capital Improvements	-	6,240,977.50	6,240,977.50	6,240,977.50	6,240,977.00	-	0.50
		<u>\$ 13,358,282.50</u>	<u>\$ 6,240,977.50</u>	<u>\$ 6,240,977.50</u>	<u>\$ 19,599,260.00</u>	<u>\$ 17,650,905.00</u>	<u>\$ 291,984.08</u>	<u>\$ 1,656,370.92</u>

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes

\$ 3,533,597.63

Ordinance

Number	Improvement Description	
14-03	Various Capital Improvements	\$ 174,882.39
15-01	Various Capital Improvements	<u>1,702,344.32</u>
		<u>1,877,226.71</u>
		<u>\$ 1,656,370.92</u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit C-5

Balance December 31, 2014	\$ 19,756.47
Increased by:	
Budget Appropriation	<u>330,000.00</u>
	349,756.47
Decreased by:	
Appropriations to Finance Improvement	
Authorizations	<u>328,472.50</u>
Balance December 31, 2015	<u><u>\$ 21,283.97</u></u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit C-6

Ordinance Number	Description	Balance Dec. 31, 2014	Received	Cancelled	Balance Dec. 31, 2015
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
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	62,500.00	62,500.00	-	-
13-26	NJ DOT-Roberts and Sands	250,000.00	-	-	250,000.00
		<u>\$ 668,500.42</u>	<u>\$ 117,500.00</u>	<u>\$ 17,500.00</u>	<u>\$ 533,500.42</u>

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2014		2015 Authorizations	Reserve for Encumbrances	Paid or Charged	Cancelled	Balance Dec. 31, 2015	
				Funded	Unfunded					Funded	Unfunded
01-03	Various Capital Improvements	3/13/2001	\$ 1,744,800.00	\$ 9,814.45	\$ -	\$ -	-	\$ 6,187.00	\$ -	\$ 3,627.45	\$ -
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	10/9/2007	562,557.15	-	-	-	77.96	77.96	-	-	-
08-10	Various Capital Improvements	4/9/2008	5,162,510.00	-	4,091.46	-	9,158.02	9,158.02	-	-	4,091.46
09-11, 09-26	Various Capital Improvements	4/28/2009	6,209,795.00	69,693.21	-	-	55,331.74	74,443.50	-	50,581.45	-
10-31	Various Capital Improvements	10/12/2010	2,650,000.00	-	3,936.60	-	57,813.09	25,336.58	-	-	36,413.11
11-18	Various Capital Improvements	7/12/2011	2,941,418.00	55,314.47	-	-	28,906.16	38,283.83	-	45,936.80	-
12-14	Various Capital Improvements	7/20/2012	5,081,600.00	-	604,499.05	-	222,648.56	549,016.06	17,500.00	-	260,631.55
13-26	Various Capital Improvements	6/24/2013	6,311,783.00	-	1,072,962.63	-	1,164,687.44	1,082,416.27	-	-	1,155,233.80
14-03	Various Capital Improvements	2/24/2014	6,421,430.00	-	2,142,350.99	-	1,823,078.82	3,590,546.92	-	-	374,882.89
15-01	Various Capital Improvements	1/26/2015	6,569,450.00	-	-	6,569,450.00	-	4,867,105.18	-	-	1,702,344.82
				\$ 320,904.91	\$ 3,827,840.73	\$ 6,569,450.00	\$ 3,373,333.66	\$ 10,254,203.19	\$ 17,500.00	\$ 286,228.48	\$ 3,533,597.63
	Deferred Charges - Unfunded Capital Improvement Fund					\$ 6,240,977.50		\$ 5,882,586.22			
						328,472.50		4,371,616.97			
						\$ 6,569,450.00		\$ 10,254,203.19			
	Disbursements Reserve for Encumbrances										

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit C-8

<u>Purpose</u>	<u>Year Issued</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Decreases</u>	<u>Balance Dec. 31, 2015</u>
NJ Fund Loan	2007	\$ 975,000.00	0.00%	\$ 651,072.11	\$ 49,646.20	\$ 601,425.91
NJ Trust Loan	2007	345,000.00	3.40% to 5.00%	265,000.00	15,000.00	250,000.00
NJ Fund Loan	2008	390,046.00	0.00%	212,580.93	34,952.13	177,628.80
NJ Trust Loan	2008	390,046.00	5.00% to 5.50%	250,046.00	35,000.00	215,046.00
NJ Trust Loan	2010	250,000.00	3.845% to 4.260%	175,444.00	10,000.00	165,444.00
NJ Fund Loan	2010	755,700.00	0.00%	467,012.42	38,425.41	428,587.01
				<u>\$ 2,021,155.46</u>	<u>\$ 183,023.74</u>	<u>\$ 1,838,131.72</u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit C-9

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Issued for Cash	Defeasance of Debt	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Outstanding Date	Amount						
General Obligation Bonds	5/15/2004	\$ 8,103,000.00	N/A	N/A	N/A	\$ 973,000.00	\$ -	\$ -	\$ 973,000.00	\$ -
General Obligation Bonds	7/01/2006	9,384,000.00	7/01/2016	720,000.00	4.500%	4,319,000.00	-	2,879,000.00	720,000.00	720,000.00
General Obligation Bonds	1/07/2010	12,745,000.00	1/15/2016-18	950,000.00	3.000%					
			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%					
			1/15/2024	995,000.00	4.000%	9,545,000.00	-	-	950,000.00	8,595,000.00
General Obligation Bonds	10/11/2012	9,950,000.00	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%	8,900,000.00	-	-	525,000.00	8,375,000.00
General Obligation Refunding Bonds	05/06/2015	3,085,000.00	7/01/2016	50,000.00	2.000%					
			7/01/2017	775,000.00	2.000%					
			7/01/2018	755,000.00	2.000%					
			7/01/2019	740,000.00	2.000%					
			7/01/2020	720,000.00	2.000%	-	3,085,000.00	-	45,000.00	3,040,000.00
						\$ 23,737,000.00	\$ 3,085,000.00	\$ 2,879,000.00	\$ 3,213,000.00	\$ 20,730,000.00

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Exhibit C-10

<u>Purpose</u>	<u>Year</u>	<u>Original Issue</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
			<u>Outstanding Date</u>	<u>Amount</u>				
Recreation Acquisition	2001	\$ 185,825.17	5/01/2015 to 11/01/2017 Level Debt Payments	\$ 7,001.07	2.00%	\$ 40,574.71	\$ 13,256.66	\$ 27,318.05
Veterans' Park Driving Range	2001	409,630.28	4/26/2015 to 4/26/2021 Level Debt Payments	16,845.81	2.00%	204,402.72	29,751.59	174,651.13
Toms River Park	2008	500,000.00	3/21/2015 to 3/21/2027 Level Debt Payments	15,880.75	2.00%	349,744.18	24,890.45	324,853.73
Toms River Park Phase II	2008	289,202.77	2/19/2015 to 2/19/2028 Level Debt Payments	8,991.78	2.00%	211,842.70	13,815.43	198,027.27
						<u>\$ 806,564.31</u>	<u>\$ 81,714.13</u>	<u>\$ 724,850.18</u>

**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Exhibit C-11

Ordinance Number	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2014	Issued for Cash	Balance Dec. 31, 2015
		Original Issue	Date of Maturity				
12-14	Various Capital Improvements	8/26/2014	5/25/2016	1.50%	\$ 1,132,904.00	\$ -	\$ 1,132,904.00
13-26	Various Capital Improvements	8/26/2014	5/25/2016	1.50%	4,376,666.00	-	4,376,666.00
14-03	Various Capital Improvements	8/26/2014	5/25/2016	1.50%	5,900,358.00	-	5,900,358.00
15-01	Various Capital Improvements	8/25/2015	5/25/2016	1.50%	-	6,240,977.00	6,240,977.00
					<u>\$ 11,409,928.00</u>	<u>\$ 6,240,977.00</u>	<u>\$ 17,650,905.00</u>

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015

Exhibit C-12

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</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
15-01	Various Capital Improvements	0.50
		<u>\$ 1,948,355.00</u>

SINGLE AUDIT SECTION

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and Members
of the Township Council
Township of Berkeley
County of Ocean
Bayville, New Jersey 08721

Report on Compliance for Each Major Federal Program

We have audited the Township of Berkeley's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Township of Berkeley's major federal programs for the year ended December 31, 2015. The Township of Berkeley's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Berkeley's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Berkeley's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Township of Berkeley's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Township of Berkeley complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

Management of the Township of Berkeley is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Berkeley's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Berkeley's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Township of Berkeley as of and for the year ended December 31, 2015, and have issued our report thereon dated June 24, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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. The 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R Haines
Certified Public Accountant
Registered Municipal Accountant
RMA #498

Toms River, New Jersey
June 24, 2016

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**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Schedule 1

Grantor/Program Title	Federal C.F.D.A. Number	Grant Period		Program or Award Amount	Receipts	Expenditures
		From	To			
<u>Department of Transportation</u>						
Pass-Through:						
New Jersey Department of Transportation:						
Highway Planning and Construction						
Prince Charles Drive and 22nd Street	20.205	FY 2011		\$ 220,000.00	\$ 55,000.00	\$ -
Road Improvements	20.205	FY 2012		250,000.00	62,500.00	-
Station Road	20.205	FY 2014		250,000.00	-	250,000.00
					117,500.00	250,000.00
<u>Federal Emergency Management Agency</u>						
Pass-Through:						
New Jersey Department of Law and Public Safety						
Public Assistance						
Super Storm Sandy	97.036	2013 FY		3,713,367.77	1,614,766.53	1,614,766.53
Hazard Mitigation Grant Program	97.039	2015 FY		258,402.00	-	25,527.46
					1,614,766.53	1,640,293.99
<u>Department of Homeland Security</u>						
Pass-Through:						
New Jersey Department of Law and Public Safety						
Homeland Security Grant	97.067	2013 FY		40,500.00	14,036.22	14,036.22
Homeland Security Grant	97.067	2014 FY		33,066.00	-	30,136.30
					14,036.22	44,172.52
<u>Department of Justice</u>						
Bureau of Justice Assistance						
Direct Program						
Bulletproof Vest Partnership Program	16.607	2014 FY		13,631.62	7,492.00	-
Pass-Through:						
New Jersey Department of Law and Public Safety						
Drive Sober or Get Pulled Over	20.601	2014 FY		12,500.00	7,500.00	8,000.00
Drive Sober or Get Pulled Over	20.601	2015 FY		10,000.00	4,800.00	7,037.50
Click it or Ticket	20.602	2015 FY		3,600.00	3,600.00	3,600.00
					23,392.00	18,637.50
<u>Department of Housing and Urban Development</u>						
Pass-Through:						
New Jersey Department of Community Affairs:						
Post Sandy Planning Assistance Grant	14.269	2014 FY		303,000.00	-	162,453.09
					-	162,453.09
					\$ 1,769,694.75	\$ 2,115,557.10

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. General

The accompanying schedule of federal awards presents the activity of all federal award programs of the Township of Berkeley. The Township is defined in Note 1 to the Township's financial statements.

Note 2. Basis of Accounting

The accompanying schedule of federal awards is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3. Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Township's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 4. Relationship to Financial Statements – Statutory Basis

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's December 31, 2015 financial statements as follows:

	Federal	Total
Current Fund	\$ 1,614,766.53	\$ 1,614,766.53
Grant Fund	<u>500,790.57</u>	<u>500,790.57</u>
Total	<u><u>\$ 2,115,557.10</u></u>	<u><u>\$ 2,115,557.10</u></u>

Note 5. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agrees with the amounts reported in the related federal financial reports.

Note 6. Major Programs

Major programs are identified in the Schedule of Findings and Questioned Costs section.

Note 7. Indirect Cost Rate

The Township has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The Township did not claim any funds as an indirect cost recovery.

TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. FEMA – Superstorm Sandy

In accordance with the Federal Emergency Management Agency, expenditures from Superstorm Sandy are recorded only when FEMA funds have been released to Township. The monies being released are for reimbursements of expenditures that had been previously recorded in the municipality's financial statements. A reconciliation of the financial statements to the amount reported on the schedule of expenditures of federal awards follows:

	<u>Current Fund</u>
Expenditures - Prior Years	\$ 1,614,766.53
Expenditures - 2015	<u>-</u>
Total FEMA Reported on Schedule of Expenditures of Federal Awards	<u><u>\$ 1,614,766.53</u></u>

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Section 1 - Summary of Auditor's Results

Financial Statement Section

- A) Type of auditor's report issued: Regulatory Basis - Qualified for LOSAP
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? Yes X No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? Yes X No
- C) Noncompliance material to financial statements noted? Yes X No

Federal Awards Section

- D) Internal control over compliance:
- 1) Material weakness(es) identified? Yes X No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? Yes X No
- E) Type of auditor's report issued on compliance for major programs? Unmodified
- F) Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200 (Uniform Guidance) Yes X No
- G) Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

97.036

Disaster Grants - Public Assistance

- H) Dollar threshold used to distinguish between Type A and Type B programs? \$750,000.00
- I) Auditee qualified as low-risk auditee? Yes X No

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

No Current Year Findings

Section III - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by 2 CFR Section 200 (Uniform Guidance).

No Current Year Findings

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards* or by 2 CFR Section 200 (Uniform Guidance).

No Prior Year Findings

**TOWNSHIP OF BERKELEY
COUNTY OF OCEAN**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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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, 2015.

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.

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

GENERAL COMMENTS

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

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

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

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

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

A test was conducted to determine that expenditures greater than \$5,400 for the period of January 1, 2015 to June 30, 2015, and expenditures greater than \$6,000 for the period of July 1, 2015 to December 31, 2015, obtained solicitation of quotes. No exceptions were noted.

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, 2015 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.
2. Effective January 1, 2015 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.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 included real estate taxes for 2015, 2014, 2013, and 2012.

The last tax sale was held on October 6, 2015 and was complete.

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

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

YEAR	NUMBER OF LIENS
2015	304
2014	288
2013	221

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. Our testing disclosed no discrepancies.

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.

Municipal Court (continued)

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.

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.

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	POSITION	AMOUNT OF BOND	
Carmen F. Amato, Jr.	Mayor	\$1,000,000	(A)
Judy Noonan	Council President	\$1,000,000	(A)
John Bacchione	Council Vice President	\$1,000,000	(A)
James J. Byrnes	Council President	\$1,000,000	(A)
Anthony DePaola	Councilman	\$1,000,000	(A)
L. Thomas Grosse, Jr.	Councilman	\$1,000,000	(A)
Angelo Guadagno	Councilman	\$1,000,000	(A)
Sophia Gingrich	Councilwoman	\$1,000,000	(A)
John Camera	Township Administrator	\$1,000,000	(A)
Frederick C. Ebenau	Chief Financial Officer	\$1,000,000	(A)
Beverly M. Carle	Township Clerk	\$1,000,000	(A)
Jesse Faasen	Tax Collector	\$1,000,000	(A)
James J. Gluck	Municipal Court Judge	\$1,000,000	(B)
Jessica L. Jenkins	Municipal Court Administrator	\$1,000,000	(B)

(A) A Public Employee Dishonesty Blanket Bond covering municipal employees in the amount of \$1,000,000 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

June 24, 2016
Toms River, New Jersey