

**TOWNSHIP OF BERKELEY  
COUNTY OF OCEAN**

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2016**



**TOWNSHIP OF BERKELEY  
COUNTY OF OCEAN**

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**TOWNSHIP OF BERKELEY  
COUNTY OF OCEAN**

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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, 2016**

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

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

As described 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 Accounting Principles Generally Accepted in the United States of America**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America” 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, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2016 and 2015. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 19.23% and 18.09% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2016 and 2015.

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

In our opinion, except for the effect 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 of the Township of Berkeley, County of Ocean, State of New Jersey, as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statement of revenues - regulatory basis, statement of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



## **Other Matters**

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental statements and schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2017, 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 9, 2017

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Township of Berkeley (herein referred to as "the Township"), as of and for the year ended December 31, 2016, 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 9, 2017. Our report indicated that the Township's financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund ("LOSAP") Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township of Berkeley's financial statements as of and for the year ended December 31, 2016. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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. We did identify a deficiency in internal control described in the accompanying Comments and Recommendations section that we consider to be a significant deficiency as Finding No. 2016-01.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying Comments and Recommendations section as Finding No. 2016-01.

### **Response to Findings**

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

### **Purpose of this Report**

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

Respectfully submitted,

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

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

Toms River, New Jersey  
June 9, 2017

## **BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Exhibit A  
Sheet 1 of 2**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Assets</u></b>			
Cash	A-4	\$ 6,824,114.70	\$ 6,169,597.51
Cash - Change Fund		3,600.00	3,510.00
		<u>6,827,714.70</u>	<u>6,173,107.51</u>
Due from State of New Jersey (P.L. 1971, Ch. 20)		-	72,006.14
Federal Emergency Management Receivable		<u>1,365,233.47</u>	<u>465,233.47</u>
		<u>8,192,948.17</u>	<u>6,710,347.12</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	1,993,492.55	2,108,170.11
Tax Title Liens Receivable	A-6	1,041,729.40	909,511.67
Property Acquired for Taxes		6,590,979.58	6,590,979.58
Revenue Accounts Receivable	A-7	12,101.02	14,298.87
Due From Municipal Utility Authority		3,354.54	2,333.64
Interfunds:			
Trust Other Fund	A-15	33,372.60	27,756.01
Animal Control Trust Fund	A-15	-	510.56
Payroll	A-15	302,210.20	9,394.02
Grant Fund	A-16	-	263,640.74
		<u>9,977,239.89</u>	<u>9,926,595.20</u>
Deferred Charges:			
FEMA Community Disaster Loan (Memo)	A	5,161,095.89	5,111,061.46
Special Emergency Authorizations (40A:4-55)	A-8	<u>1,889,579.76</u>	<u>3,116,403.43</u>
		<u>7,050,675.65</u>	<u>8,227,464.89</u>
		<u>25,220,863.71</u>	<u>24,864,407.21</u>
<b><u>Grant Fund</u></b>			
Interfund - Current Fund	A-16	42,021.64	-
Grants Receivable	A-17	<u>965,891.23</u>	<u>1,259,295.77</u>
		<u>1,007,912.87</u>	<u>1,259,295.77</u>
		<u>\$ 26,228,776.58</u>	<u>\$ 26,123,702.98</u>

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Exhibit A  
Sheet 2 of 2**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Appropriation Reserves	A-3,9	\$ 1,648,009.48	\$ 1,280,198.41
Reserve for Encumbrances	A-3,9	572,852.54	483,934.98
Special Emergency Note Payable	A-4	1,200,000.00	2,400,000.00
Prepaid Taxes	A-4	1,438,245.38	1,232,354.57
Sales Tax Payable		1,477.50	1,830.27
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	A-9	3,382.05	3,382.05
County Taxes Payable	A-12	79,318.57	98,618.31
Tax Overpayments		82,412.34	48,852.17
Reserve for Contractually Required Severance	A-14	248,720.55	50,000.40
Reserve for Revaluation Program	A-14	-	53,754.35
Reserve for Storm Damage	A-14	526,753.20	546,646.70
State of New Jersey (P.L. 1971, Ch. 20)		29,772.37	-
FEMA Community Disaster Loan (Memo)		5,161,095.89	5,111,061.46
Interfunds:			
General Capital Fund	A-15	928.00	-
Grant Fund	A-15	42,021.64	-
		<u>11,079,395.79</u>	<u>11,355,039.95</u>
Reserve for Receivables and Other Assets		9,977,239.89	9,926,595.20
Fund Balance	A-1	4,164,228.03	3,582,772.06
		<u>25,220,863.71</u>	<u>24,864,407.21</u>
<b><u>Grant Fund</u></b>			
Interfund - Current Fund	A-16	-	263,640.74
Reserve for Encumbrances	A-18	100,062.27	129,062.91
Appropriated Reserves	A-18	907,850.60	860,535.31
Unappropriated Reserves	A-19	-	6,056.81
		<u>1,007,912.87</u>	<u>1,259,295.77</u>
		<u>\$ 26,228,776.58</u>	<u>\$ 26,123,702.98</u>

There were deferred school taxes on December 31, 2016 and 2015 of \$24,670,506.63 and \$23,699,058.11 respectively (Exhibits A-10 and A-11).

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



**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Exhibit A-1  
Sheet 1 of 2**

	<u>Ref.</u>	<u>Year 2016</u>	<u>Year 2015</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 2,329,129.00	\$ 800,000.00
Fund Balance Utilized with Prior Consent of Director of Local Government Services	A-2	72,000.00	33,000.00
Miscellaneous Revenue Anticipated	A-2	10,157,629.31	10,755,219.60
Receipts from Delinquent Taxes	A-2	2,185,070.04	3,042,460.74
Receipts from Current Taxes	A-2	103,711,457.38	100,540,548.37
Non-Budget Revenues	A-2	189,014.17	241,676.04
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-9	865,170.21	233,002.21
Expired Tax Sale Premiums	A-4	19,500.00	-
Accounts Payable Cancelled		-	1,271.60
Animal Control Trust Fund - Statutory Excess		-	510.56
Miscellaneous Balance Adjustment		140.00	-
Reserve for Miscellaneous Accounts Receivable Liquidated		-	5.72
Prior Year Cancelled Checks		305.65	8,134.89
Grant Fund Cancellation of Balances		104,464.88	-
Total Income		<u>119,633,880.64</u>	<u>115,655,829.73</u>
<b><u>Expenditures</u></b>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		15,543,229.18	15,078,991.88
Other Expenses		15,976,607.22	14,814,268.78
Deferred Charges and Statutory Expenditures		3,856,923.38	3,850,643.71
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		857,186.57	733,243.60
Other Expenses		1,156,119.18	1,317,144.17
Capital Improvements		400,000.00	330,000.00
Municipal Debt Service		3,785,241.76	4,219,014.12
Deferred Charges		1,487,543.82	1,476,168.58
Judgments		26,245.65	29,855.37
	A-3	<u>43,089,096.76</u>	<u>41,849,330.21</u>
Prior Year Senior Citizen Deductions Disallowed		107,116.37	1,000.00
Local District School Taxes	A-10	29,326,250.00	28,470,530.00
Regional School Taxes	A-11	21,965,322.48	20,633,597.29
County Taxes	A-12	21,587,910.93	21,290,412.23
Local Open Space Tax	A-13	513,837.90	512,579.12
Reserve for Miscellaneous Accounts Receivable		1,020.90	-
Grant Fund Cancellation of Balances	A-16	199,338.57	11,407.95
Interfund Loans Advanced		34,281.47	143,535.90
Prior Year Tax Appeals		87,840.44	147,578.71
Total Expenditures		<u>116,912,015.82</u>	<u>113,059,971.41</u>

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Exhibit A-1  
Sheet 2 of 2**

	<u>Ref.</u>	<u>Year 2016</u>	<u>Year 2015</u>
Excess/(Deficit) in Revenue		\$ 2,721,864.82	\$ 2,595,858.32
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budgets of			
Succeeding Years	A-3	260,720.15	66,906.24
Statutory Excess to Fund Balance		<u>2,982,584.97</u>	<u>2,662,764.56</u>
Fund Balance January 1	A	<u>3,582,772.06</u>	<u>1,753,007.50</u>
		6,565,357.03	4,415,772.06
Decreased by:			
Utilization as Anticipated Revenue	A-1,2	<u>2,401,129.00</u>	<u>833,000.00</u>
Fund Balance December 31	A	\$ <u><u>4,164,228.03</u></u>	\$ <u><u>3,582,772.06</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 REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 2,329,129.00	\$ -	\$ 2,329,129.00	\$ -
Fund Balance Anticipated with Prior Consent of the Director of Local Government Services	A-1	72,000.00	-	72,000.00	-
		<u>2,401,129.00</u>	<u>-</u>	<u>2,401,129.00</u>	<u>-</u>
<b><u>Miscellaneous Revenues</u></b>					
Licenses:					
Alcoholic Beverages	A-7	46,000.00	-	45,356.00	(644.00)
Other	A-7	4,500.00	-	4,275.00	(225.00)
Fees and Permits	A-7	350,000.00	-	387,427.91	37,427.91
Fines and Costs:					
Municipal Court	A-7	245,000.00	-	211,347.22	(33,652.78)
Interest and Costs on Taxes	A-7	475,000.00	-	514,190.53	39,190.53
Interest on Investments and Deposits	A-7	6,000.00	-	12,368.88	6,368.88
Beach Admission Fees	A-7	95,000.00	-	93,026.00	(1,974.00)
Municipal Golf Course	A-7	600,000.00	-	538,896.23	(61,103.77)
Water and Cable Franchise Fees	A-7	224,235.47	-	224,235.47	-
Hotel and Motel Occupancy Tax	A-7	25,000.00	-	27,366.94	2,366.94
State Aid:					
Energy Receipts Tax	A-7	4,213,875.00	-	4,213,875.00	-
Garden State Trust Fund	A-7	42,590.00	-	42,590.00	-
Special Items of Revenue:					
Interlocal Services Agreements:					
Animal Control Services	A-7	11,898.33	-	7,501.67	(4,396.66)
Berkeley Board of Education Fuel Facilities	A-7	75,000.00	-	57,178.69	(17,821.31)
Central Regional Board of Education Fuel Facilities	A-7	120,000.00	-	100,835.40	(19,164.60)
Fire Protection	A-7	26,500.00	-	26,500.00	-
Public and Private Programs:					
Clean Communities Program	A-16	149,316.10	-	149,316.10	-
Municipal Alliance on Alcohol and Drug Abuse	A-16	26,342.30	-	26,342.30	-
DDEF FY2015 Grant	A-16	19,361.48	-	19,361.48	-
Bonus Grant Abandoned Tire Recycling Grant	A-16	11,000.00	-	11,000.00	-
Body Armor Fund	A-16	6,056.81	-	6,056.81	-
Federal Emergency Management Agency Assistance Grant	A-16	5,000.00	-	5,000.00	-
FY16 Child Restraint Grant Program	A-16	3,000.00	-	3,000.00	-
NJOEM Grant	A-16	22,188.33	-	22,188.33	-

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, 2016**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Special Items of Revenue (Continued):					
Public and Private Programs (Continued):					
Zoning Code Enforcement Grant Program	A-16	\$ 99,679.63	\$ -	\$ 99,679.63	\$ -
FY 15 EMPG EMMA Grant	A-16	7,000.00	-	7,000.00	-
Drive Sober or Get Pulled Over Grant-Holiday	A-16	-	5,000.00	5,000.00	-
Drive Sober or Get Pulled Over Grant-Labor Day	A-16	-	5,000.00	5,000.00	-
Cops in Crosswalks Grant	A-16	-	19,200.00	19,200.00	-
Body Worn Camera Assistance Program	A-16	-	36,999.58	36,999.58	-
Hazard Mitigation Grant	A-16	-	50,535.00	50,535.00	-
Municipal Alliance Grant	A-16	-	5,045.70	5,045.70	-
2016 Body Armor	A-16	-	5,793.11	5,793.11	-
2016 Bulletproof Vest Partnership	A-16	-	4,715.00	4,715.00	-
966 Grant	A-16	-	32,997.09	32,997.09	-
FY16 Homeland Security Grant	A-16	-	26,000.00	26,000.00	-
Other Special Items:					
Community Services Officer Program-Ambulance Service	A-7	589,526.00	-	698,045.66	108,519.66
Health Care Coverage - Employee Percentage	A-7	400,000.00	-	501,506.45	101,506.45
Grant Proceeds	A-7	82,260.84	-	82,260.84	-
Ocean County Recycling Revenue Sharing Program	A-7	15,302.63	-	20,689.63	5,387.00
Sale of Land	A-7	57,400.00	-	286,794.50	229,394.50
Refuge Revenue Sharing Act	A-7	933.00	-	933.00	-
Capital Fund Reserve for Cash	A-7	64,249.29	-	64,249.29	-
FEMA Reimbursement-Super Storm Sandy	A-7	900,000.00	-	900,000.00	-
Senior/Veteran Administration Fee	A-7	33,000.00	-	33,599.01	599.01
Surplus from the Berkeley Township Municipal Utility Authority	A-7	86,019.00	-	86,019.00	-
Surplus from the Berkeley Township Sewer Authority	A-7	410,000.00	-	410,000.00	-
Uniform Fire Safety Act	A-7	27,415.71	-	26,330.86	(1,084.85)
Total Miscellaneous Revenues	A-1	9,575,649.92	191,285.48	10,157,629.31	390,693.91
Receipts from Delinquent Taxes	A-1,2	2,425,000.00	-	2,185,070.04	(239,929.96)
Subtotal General Revenues		14,401,778.92	191,285.48	14,743,828.35	150,763.95
Amount to be Raised by Taxes for Support of Municipal Budget A-2		31,614,007.91	-	32,724,291.86	1,110,283.95
Total General Revenues		46,015,786.83	191,285.48	47,468,120.21	1,261,047.90
Non-Budget Revenues	A-1,4	-	-	189,014.17	189,014.17
		\$ 46,015,786.83	\$ 191,285.48	\$ 47,657,134.38	\$ 1,450,062.07
	Ref.	A-3	A-3,16		

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, 2016**

**Exhibit A-2  
Sheet 3 of 3**

	<u><b>Ref.</b></u>	
<u><b>Analysis of Realized Revenues</b></u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,5	\$ 103,711,457.38
Allocated to:		
School, County Taxes and Municipal Open Space	A-10,11,12,13	<u>74,364,769.83</u>
Balance for Support of Municipal Budget		
Appropriations		29,346,687.55
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>3,377,604.31</u>
Amount for Support of Municipal Budget		
Appropriations	A-2	<u><u>\$ 32,724,291.86</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-5	\$ 2,097,877.05
Tax Title Lien Collections	A-6	<u>87,192.99</u>
	A-2	<u><u>\$ 2,185,070.04</u></u>
 <u><b>Analysis of Non-Budget Revenue</b></u>		
Hot Springs Reimbursement		\$ 50,000.00
Refund of Prior Year Expenses		43,627.81
Regional School Trash Reimbursement		42,000.00
Debris Removal		24,694.97
Township Auction Proceeds		18,090.00
Housing Authority PILOT		7,664.00
Trailer Fees		1,150.00
Miscellaneous Other		<u>1,787.39</u>
		<u><u>\$ 189,014.17</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, 2016**

Exhibit A-3  
Sheet 1 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>OPERATIONS WITHIN CAPS</b>					
<b><u>General Government Functions</u></b>					
General Administration					
Salaries and Wages	\$	138,864.00	\$	7,177.37	\$ -
Other Expenses		46,300.00		8,330.11	-
Human Resources					
Salaries and Wages	125,010.00	126,600.95	120,270.80	6,330.15	-
Other Expenses	7,750.00	7,750.00	4,914.35	2,835.65	-
Office of the Mayor					
Salaries and Wages	25,000.00	25,000.00	25,000.00	-	-
Other Expenses	2,450.00	2,450.00	1,418.12	1,031.88	-
Township Council					
Salaries and Wages	89,500.00	89,500.00	89,499.99	0.01	-
Other Expenses	4,900.00	4,900.00	4,298.00	602.00	-
Municipal Clerk					
Salaries and Wages	203,407.53	210,345.38	210,345.38	-	-
Other Expenses	26,000.00	26,000.00	21,106.72	4,893.28	-
Division of Information Rechnology					
Salaries and Wages	53,751.00	54,248.49	54,248.49	-	-
Other Expenses	10,500.00	500.00	54.80	445.20	-
Office of the Treasurer					
Salaries and Wages	325,335.58	335,775.61	318,986.83	16,788.78	-
Other Expenses	28,000.00	28,000.00	21,222.94	6,777.06	-
Contractually Required Severance Liabilities					
Other Expenses	260,720.15	260,720.15	260,720.15	-	-
Audit Services					
Other Expenses	55,400.00	55,400.00	54,015.00	1,385.00	-
Revenue Administration (Tax Collection)					
Salaries and Wages	271,922.31	238,806.16	238,501.74	304.42	-
Other Expenses	71,000.00	71,000.00	66,460.81	4,539.19	-
Tax Assessment Administration					
Salaries and Wages	258,868.77	233,269.51	233,269.51	-	-
Other Expenses	16,975.00	16,975.00	16,378.51	596.49	-
Division of Purchasing					
Salaries and Wages	35,702.44	31,802.44	31,790.51	11.93	-
Other Expenses	40,475.00	41,075.00	39,973.34	1,101.66	-
Legal Services					
Other Expenses	500,000.00	500,000.00	315,541.89	184,458.11	-

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, 2016**

Exhibit A-3  
Sheet 2 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Engineering Services					
Other Expenses	\$ 160,000.00	\$ 170,000.00	\$ 154,619.03	\$ 15,380.97	\$ -
Economic Development Agencies					
Salaries and Wages	20,000.00	-	-	-	-
Other Expenses	700.00	900.00	625.00	275.00	-
Senior Citizens Advisory Committee					
Other Expenses	500.00	500.00	500.00	-	-
Veterans Advisory Council					
Other Expenses	1,000.00	-	-	-	-
Waterways Advisory Committee					
Other Expenses	1,000.00	1,200.00	1,000.00	200.00	-
Municipal Court:					
Salaries and Wages	223,733.15	233,134.56	233,134.56	-	-
Other Expenses	10,000.00	10,000.00	6,399.48	3,600.52	-
Public Defender (P.L. 1997, c256)					
Other Expenses	35,000.00	35,000.00	21,727.46	13,272.54	-
<b><u>Land Use Administration</u></b>					
Planning Board / Director of Planning					
Other Expenses	125,000.00	145,000.00	125,000.00	20,000.00	-
Planning Board					
Salaries and Wages	14,516.50	14,516.50	14,516.50	-	-
Other Expenses	71,950.00	91,950.00	86,753.19	5,196.81	-
Division of Zoning					
Salaries and Wages	59,000.00	69,375.30	69,375.30	-	-
Other Expenses	6,650.00	2,650.00	1,153.91	1,496.09	-
Zoning Board of Adjustment					
Salaries and Wages	14,516.50	14,516.50	14,516.49	0.01	-
Other Expenses	28,400.00	28,400.00	26,194.53	2,205.47	-
<b><u>Insurances</u></b>					
General Liability	1,300,000.00	1,300,000.00	1,230,770.00	69,230.00	-
Workers Compensation	400,000.00	600,000.00	576,024.69	23,975.31	-
Employee Group Insurance	6,908,122.00	6,908,122.00	6,751,463.16	156,658.84	-
Unemployment Insurance	25,000.00	-	-	-	-
<b><u>Public Safety Functions</u></b>					
Police Department					
Salaries and Wages	8,429,495.31	8,241,588.99	7,995,945.94	245,643.05	-
Other Expenses	431,150.00	431,150.00	417,203.05	13,946.95	-
Emergency Management					
Salaries and Wages	16,000.00	16,000.00	194.65	15,805.35	-
Other Expenses	22,400.00	22,400.00	5,273.15	17,126.85	-

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, 2016**

Exhibit A-3  
Sheet 3 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Aid to Volunteer Fire Companies					
Salaries and Wages	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -
Other Expenses	220,000.00	220,000.00	219,845.61	154.39	-
First Aid Contribution					
Other Expenses	125,000.00	125,000.00	125,000.00	-	-
Fire Department					
Salaries and Wages	119,579.78	119,579.78	112,723.87	6,855.91	-
Other Expenses	5,000.00	5,000.00	2,467.30	2,532.70	-
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	27,415.71	27,415.71	27,415.71	-	-
Municipal Prosecutor:					
Other Expenses	52,000.00	52,000.00	44,785.00	7,215.00	-
<b>Public Works Functions</b>					
Streets and Roads Maintenance:					
Salaries and Wages	482,395.00	487,395.00	487,395.00	-	-
Other Expenses	259,600.00	259,600.00	244,819.99	14,780.01	-
Contractual	500,000.00	365,115.07	355,176.75	9,938.32	-
Other Public Works Functions/Signs, Maintenance					
Salaries and Wages	83,673.00	83,673.00	82,951.97	721.03	-
Other Expenses	25,000.00	33,000.00	30,501.69	2,498.31	-
Other Public Works Functions/ Building Demolition					
Other Expenses	10,000.00	10,000.00	-	10,000.00	-
Sanitation/Solid Waste Collection:					
Salaries and Wages	1,886,764.00	1,924,764.00	1,916,535.15	8,228.85	-
Other Expenses	174,500.00	175,500.00	173,262.75	2,237.25	-
Solid Waste Collection/Recycling					
Salaries and Wages	400,936.30	392,936.30	392,798.56	137.74	-
Other Expenses	19,250.00	44,250.00	42,879.14	1,370.86	-
Buildings and Grounds:					
Salaries and Wages	242,957.35	242,957.35	228,076.12	14,881.23	-
Other Expenses	48,450.00	65,450.00	63,579.31	1,870.69	-
Equipment Maintenance					
Salaries and Wages	351,310.00	432,310.00	430,111.32	2,198.68	-
Other Expenses	42,600.00	42,600.00	22,930.08	19,669.92	-
<b>Health and Human Services</b>					
Environmental Health Services					
Other Expenses	750.00	1,050.00	700.00	350.00	-
Animal Control Services					
Salaries and Wages	117,887.67	117,887.67	106,484.46	11,403.21	-
Other Expenses	1,600.00	1,600.00	1,177.65	422.35	-

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, 2016**

Exhibit A-3  
Sheet 4 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
	\$	\$	\$	\$	\$
Contribution - Providence House (N.J.S.A. 40:23-8.17)	1,000.00	1,000.00	1,000.00	-	-
Contribution - Community Services Inc. (N.J.S.A. 40:48-9.4)	1,000.00	1,000.00	1,000.00	-	-
Contribution - S.T.E.P.S., Inc. (N.J.S.A. 40:48-9.4)	1,000.00	1,000.00	1,000.00	-	-
<b><u>Parks and Recreation</u></b>					
Recreation Services and Programs					
Salaries and Wages	465,250.48	520,364.62	520,364.62	-	-
Other Expenses	50,450.00	70,450.00	58,490.16	11,959.84	-
Recreation Services and Programs/Golf Course					
Salaries and Wages	563,010.44	566,689.44	565,791.80	897.64	-
Other Expenses	107,500.00	107,500.00	106,904.87	595.13	-
Maintenance of Parks					
Salaries and Wages	242,708.84	218,708.84	207,467.73	11,241.11	-
Other Expenses	76,550.00	77,050.00	76,527.14	522.86	-
Beach and Boardwalk Operations					
Salaries and Wages	100,000.00	111,884.93	111,884.93	-	-
Other Expenses	12,500.00	5,500.00	5,415.02	84.98	-
<b><u>Utilities and Bulk Purchases</u></b>					
Utilities					
Other Expenses	760,000.00	760,000.00	667,075.58	92,924.42	-
Street Lighting					
Other Expenses	500,000.00	500,000.00	488,357.68	11,642.32	-
Gasoline					
Other Expenses	750,000.00	638,000.00	408,906.25	229,093.75	-
<b><u>Landfill/Solid Waste</u></b>					
Landfill/Solid Waste Disposal Costs					
Other Expenses/Tipping	1,600,000.00	1,600,000.00	1,599,905.97	94.03	-
<b><u>Code Enforcement and Administration</u></b>					
Other Code Enforcement Functions:					
Salaries and Wages	187,632.59	208,318.15	207,722.39	595.76	-
Other Expenses	4,600.00	4,600.00	4,514.11	85.89	-
Total Operations within Caps	31,536,836.40	31,517,836.40	30,189,010.17	1,328,826.23	-
Contingent	2,000.00	2,000.00	-	2,000.00	-
Total Operations within Caps including Contingent	31,538,836.40	31,519,836.40	30,189,010.17	1,330,826.23	-
Detail:					
Salaries and Wages	15,591,144.25	15,543,229.18	15,194,006.95	349,222.23	-
Other Expenses	15,947,692.15	15,976,607.22	14,995,003.22	981,604.00	-

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, 2016**

Exhibit A-3  
Sheet 5 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b><u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u></b>					
<b><u>WITHIN CAPS</u></b>					
<b><u>Deferred Charges</u></b>					
Prior Year Bills:					
T&M Associates-8/15/14	\$	1,142.14	\$	1,142.14	\$ -
T&M Associates-11/24/14		1,613.68		1,613.68	-
T&M Associates-12/17/14		6,627.59		6,627.59	-
T&M Associates-2014		675.75		675.75	-
Trec-11/24/14		385.00		385.00	-
Aqua New Jersey, Inc.-2014		4,250.85		4,250.85	-
<b><u>Statutory Expenditures</u></b>					
Contribution to:					
Social Security System		1,210,000.00		1,221,966.89	-
Police and Firemen's Retirement System of NJ		1,736,191.00		1,736,191.00	-
Defined Contribution Retirement Program		1,600.00		1,600.00	-
Public Employee Retirement System		875,437.37		875,437.37	-
Total Deferred Charges and Statutory Expenditures within Caps		3,837,923.38		3,849,890.27	-
Total Appropriations within Caps		35,376,759.78		34,038,900.44	-
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>					
Insurance (N.J.S.A. 40A:4-45.3(00))					
Employee Group Health Insurance		91,878.00		91,878.00	-
Length of Service Awards Program (N.J.A.C. 5:30-14.25)					
Other Expenses		210,000.00		188,591.50	21,408.50
Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc))					
Salaries and Wages		198,797.00		149,805.07	48,991.93
Other Expenses		60,000.00		58,878.51	1,121.49
Recycling Enhancement Act (P.L. 2007 c.311)					
Other Expenses		62,629.29		53,429.74	9,199.55
<b><u>Interlocal Municipal Service Agreements</u></b>					
Ocean County Social Services - Relocation Expenses					
Other Expenses		1,000.00		-	1,000.00
Fire Protection - South Toms River					
Other Expenses		26,500.00		26,459.00	41.00
Animal Control - Pine Beach, South Seaside Park, Ocean Gate					
Salaries and Wages		11,898.33		11,898.33	-
Berkeley Board of Education - Fuel					
Other Expenses		75,000.00		57,178.69	17,821.31
Central Regional Board of Education - Fuel					
Other Expenses		120,000.00		100,835.40	19,164.60

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, 2016**

Exhibit A-3  
Sheet 6 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Community Service Officer Program					
Salaries and Wages	\$ 479,876.00	\$ 479,876.00	\$ 359,101.50	\$ 120,774.50	\$ -
Other Expenses	109,650.00	109,650.00	39,022.74	70,627.26	-
<b>Public and Private Programs Offset by Revenues</b>					
Clean Communities Grant					
Salaries and Wages	100,000.00	100,000.00	100,000.00	-	-
Other Expenses	49,316.10	49,316.10	49,316.10	-	-
Body Worn Camera Assistance Program	36,999.58	36,999.58	36,999.58	-	-
2016 Statewide Labor Crackdown	5,000.00	5,000.00	5,000.00	-	-
Hazard Mitigation	50,535.00	50,535.00	50,535.00	-	-
Traffic Safety Cops in Crosswalk 2016	19,200.00	19,200.00	19,200.00	-	-
Drive Sober Get Pulled Over 2016	5,000.00	5,000.00	5,000.00	-	-
2016 Homeland Security Grant	26,000.00	26,000.00	26,000.00	-	-
2016 Body Armor	5,793.11	5,793.11	5,793.11	-	-
2016 Bulletproof Vest	4,715.00	4,715.00	4,715.00	-	-
OEM FY2017 966 Grant	32,997.09	32,997.09	32,997.09	-	-
Municipal Alliance Grant - Municipal Share					
Salaries and Wages	7,847.00	7,847.00	7,847.00	-	-
Municipal Alliance Grant - State Share (Fiscal Year)					
Salaries and Wages	20,768.66	20,768.66	20,768.66	-	-
Other Expenses	10,619.34	10,619.34	10,619.34	-	-
DDEF FY2015 Grant	19,361.48	19,361.48	19,361.48	-	-
Bonun Grant Abandoned Tire Recycling Center	11,000.00	11,000.00	11,000.00	-	-
Bonun Grant Abandoned Tire Recycling Center-Match	11,000.00	11,000.00	11,000.00	-	-
FY14 Emergency Management Agency Assistance	5,000.00	5,000.00	5,000.00	-	-
FY16 Child Restraint Grant Program	3,000.00	3,000.00	3,000.00	-	-
NJOEM Grant	22,188.33	22,188.33	22,188.33	-	-
Division of Criminal Justice 2015 Body Armor Grant	6,056.81	6,056.81	6,056.81	-	-
Zoning Code Enforcement Grant	99,679.63	99,679.63	99,679.63	-	-
FY15 EMPG EMMA Grant	7,000.00	7,000.00	7,000.00	-	-
FY15 EMPG EMMA Grant-Match	7,000.00	7,000.00	7,000.00	-	-
Total Operations excluded from Caps	2,013,305.75	2,013,305.75	1,703,155.61	310,150.14	-
Detail:					
Salaries and Wages	857,186.57	857,186.57	686,420.14	170,766.43	-
Other Expenses	1,156,119.18	1,156,119.18	1,016,735.47	139,383.71	-
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</b>					
Capital Improvement Fund	400,000.00	400,000.00	400,000.00	-	-
Total Capital Improvements excluded from Caps	400,000.00	400,000.00	400,000.00	-	-

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, 2016**

Exhibit A-3  
Sheet 7 of 7

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
<b><u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u></b>					
Payment of Bond Principal	\$ 2,745,000.00	\$ 2,745,000.00	\$ 2,745,000.00	\$ -	\$ -
Interest on Bonds	685,283.00	685,283.00	685,283.00	-	-
Interest on Notes	218,676.66	218,676.66	218,676.66	-	-
NIET:					
Loan Repayments for Principal and Interest	137,373.49	137,373.49	136,282.10	-	1,091.39
Total Municipal Debt Service excluded from Caps	<u>3,786,333.15</u>	<u>3,786,333.15</u>	<u>3,785,241.76</u>	<u>-</u>	<u>1,091.39</u>
<b><u>DEFERRED CHARGES EXCLUDED FROM CAPS</u></b>					
Special Emergency Authorizations - 5 Years					
(N.J.S. 40A:4-55)					
Special Emergency Authorizations - From 2011	1,200,000.00	1,200,000.00	1,200,000.00	-	-
Special Emergency Authorizations - From 2012	85,028.40	85,028.40	85,028.40	-	-
Special Emergency Authorizations - From 2013	51,339.10	51,339.10	51,339.10	-	-
Special Emergency Authorizations - From 2014	89,389.71	89,389.71	89,389.71	-	-
Special Emergency Authorizations - From 2015	48,405.36	48,405.36	48,405.36	-	-
Special Emergency Authorizations - From 2015	13,381.25	13,381.25	13,381.25	-	-
Total Deferred Charges excluded from Caps	<u>1,487,543.82</u>	<u>1,487,543.82</u>	<u>1,487,543.82</u>	<u>-</u>	<u>-</u>
Judgments	<u>26,245.65</u>	<u>26,245.65</u>	<u>26,245.65</u>	<u>-</u>	<u>-</u>
Total General Appropriations excluded from Caps	<u>7,713,428.37</u>	<u>7,713,428.37</u>	<u>7,402,186.84</u>	<u>310,150.14</u>	<u>1,091.39</u>
Subtotal General Appropriations	43,090,188.15	43,090,188.15	41,441,087.28	1,648,009.48	1,091.39
Reserve for Uncollected Taxes	<u>3,377,604.31</u>	<u>3,377,604.31</u>	<u>3,377,604.31</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 46,467,792.46</u>	<u>\$ 46,467,792.46</u>	<u>\$ 44,818,691.59</u>	<u>\$ 1,648,009.48</u>	<u>\$ 1,091.39</u>
Ref.		A-1		A	A-1
Adopted Budget					
Appropriations added by 40A:4-87	\$ 46,015,786.83	\$ 46,015,786.83			
Special Emergency Authorizations	<u>191,285.48</u>	<u>191,285.48</u>			
	<u>260,720.15</u>	<u>260,720.15</u>			
A-1,8					
A-3					
Reserve for:					
Encumbrances			\$ 572,852.54		
Uncollected Taxes			3,377,604.31		
Disbursements			38,552,965.64		
Special Emergency Authorization - Reserve for Contractually Required Severance			260,720.15		
Deferred Charges Raised - Special Emergency Appropriations			1,487,543.82		
Interfunds:					
Grant Fund			566,077.13		
General Capital Fund			<u>928.00</u>		
			<u>\$ 44,818,691.59</u>		
A-3					

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**OTHER TRUST FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2016 AND 2015**

**Exhibit B**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Assets</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Cash	B-1	\$ 15.01	\$ 72,672.25
<b><u>Other Trust Fund</u></b>			
Cash	B-1	7,747,456.28	7,887,262.88
Due From Regional School District	B-5	18,352.50	-
Due From Local School District	B-5	15,145.00	-
		<u>7,780,953.78</u>	<u>7,887,262.88</u>
Length of Service Awards Program Fund (LOSAP) - Unaudited:			
Funds Held by Trustee	B-7	1,852,945.90	1,758,017.29
		<u>\$ 9,633,914.69</u>	<u>\$ 9,717,952.42</u>
<b><u>Liabilities and Reserves</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Reserve for Animal Control Trust Fund	B-2	\$ 15.01	\$ 72,064.49
Due to State of New Jersey	B-3	-	97.20
Interfund - Current Fund	B-2, A	-	510.56
		<u>15.01</u>	<u>72,672.25</u>
<b><u>Other Trust Fund</u></b>			
Interfunds -			
Current Fund	B-4	33,372.60	27,756.01
Payroll Fund		385,795.30	64,254.50
Due to State of New Jersey		14,808.00	785.00
Reserve for:			
Miscellaneous Reserves	B-5	6,560,448.29	7,020,177.84
Open Space	B-6	786,529.59	774,289.53
		<u>7,780,953.78</u>	<u>7,887,262.88</u>
Length of Service Awards Program Fund (LOSAP) - Unaudited:			
Funds Held by Trustee	B-7	1,852,945.90	1,758,017.29
		<u>\$ 9,633,914.69</u>	<u>\$ 9,717,952.42</u>

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

**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN**  
**GENERAL CAPITAL FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2016 AND 2015**

**Exhibit C**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>Assets</u></b>			
Cash	C-1	\$ 5,068,871.12	\$ 5,795,838.07
Deferred Charges to Future Taxation:			
Funded	C-3	31,693,227.70	23,292,981.90
Unfunded	C-4	15,619,282.00	19,599,260.00
Interfund - Current Fund	C-1	928.00	-
Grants Receivable	C-6	157,668.00	533,500.42
		<u>\$ 52,539,976.82</u>	<u>\$ 49,221,580.39</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Capital Improvement Fund	C-5	\$ 30,233.97	\$ 21,283.97
Reserve for Debt Service	C-1	332,212.72	64,966.44
Improvement Authorizations:			
Funded	C-7	107,384.37	286,228.48
Unfunded	C-7	3,833,180.72	3,533,597.63
Reserve for Encumbrances	C-7	2,872,810.34	4,371,616.97
Bond Anticipation Notes	C-11	13,670,927.00	17,650,905.00
Environmental Infrastructure Trust Fund Loans	C-8	1,657,734.10	1,838,131.72
Serial Bonds	C-9	29,394,000.00	20,730,000.00
Green Trust Loan Payable	C-10	641,493.60	724,850.18
		<u>\$ 52,539,976.82</u>	<u>\$ 49,221,580.39</u>

There were bonds and notes authorized but not issued on December 31, 2016 and 2015 of \$1,948,355.00 and \$1,948,355.00, respectively (Schedule C-12).

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

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
PAYROLL FUND  
STATEMENTS OF ASSETS AND LIABILITIES -  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015**

**Exhibit G**

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b><u>Assets</u></b>		
Cash	\$ 118,784.56	\$ 116,159.96
Interfund Receivable - Outside Employment	<u>385,795.30</u>	<u>64,547.80</u>
	<u><u>\$ 504,579.86</u></u>	<u><u>\$ 180,707.76</u></u>
<b><u>Liabilities</u></b>		
Interfund Payable - Current Fund	\$ 302,210.20	\$ 9,394.02
Payroll Deductions Payable	<u>202,369.66</u>	<u>171,020.44</u>
	<u><u>\$ 504,579.86</u></u>	<u><u>\$ 180,414.46</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  
STATEMENTS OF ASSETS AND LIABILITIES -  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015**

**Exhibit H**

	<u><b>2016</b></u>	<u><b>2015</b></u>
General Fixed Assets:		
Land	\$ 6,245,007.50	\$ 6,531,802.00
Buildings and Improvements	7,625,923.00	7,625,923.00
Machinery and Equipment	<u>28,954,268.14</u>	<u>27,868,038.07</u>
	<u><u>\$ 42,825,198.64</u></u>	<u><u>\$ 42,025,763.07</u></u>
Investment in General Fixed Assets	<u><u>\$ 42,825,198.64</u></u>	<u><u>\$ 42,025,763.07</u></u>

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



**TOWNSHIP OF BERKELEY  
COUNTY OF OCEAN**

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

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**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**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.

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. A modified accrual basis of accounting is followed by the Township. Modifications from the accrual basis follow:

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

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A. 40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

*N.J.S.A. 17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

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

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Deferred Charges Unfunded and Funded** - Upon 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 New Jersey Statute 40A:2-4, the Township may levy taxes on all taxable property within its jurisdiction to repay its debt. The Township raises the debt requirements for its debt in its current budget as funds are raised; the deferred charges are reduced.

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

The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 1.      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C.      Basis of Accounting (Continued)**

**Encumbrances** - Contractual orders at December 31, 2016 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

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

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

**Fund Balance** - Fund balances included in the Current Fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

**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.

**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.

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

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 1.      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C.      Basis of Accounting (Continued)**

**School Taxes** - The Township is responsible for levying, collecting, and remitting school taxes for the Berkeley Township School District and the Central Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district and for the regional school district the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2015 and decreased by the amount deferred at December 31, 2016.

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

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

**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.

**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**

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

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

Budgets are adopted on the basis of accounting utilized to prepare the Township's financial statements.

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 1.      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.      Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

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

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

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

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*.

The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the Township's financial statements.

Recently Issued Accounting Pronouncements

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

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



**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 1.      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.      Impact of Recently Issued Accounting Principles (Continued)**

Recently Issued Accounting Pronouncements (Continued)

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

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended December 31, 2017. Management has not yet determined the potential impact on the Township's financial statements.

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

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

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Impact of Recently Issued Accounting Principles (Continued)**

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

**G. Subsequent Events**

The Township has evaluated subsequent events through June 9, 2017, the date the financial statements were available to be issued. See Note 22 for more information.

**NOTE 2. CASH AND CASH EQUIVALENTS**

The Township is governed by the deposit and investment limitations of New Jersey state law. The deposits and investments held at December 31, 2016, and reported at fair value are as follows:

Type	Carrying Value
<b>Deposits</b>	
Demand Deposits	\$ 19,759,241.67
Total Deposits	<u>\$ 19,759,241.67</u>
<b>Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:</b>	
Current Fund	\$ 6,824,114.70
Animal Control Trust Fund	15.01
Trust - Other Fund	7,747,456.28
General Capital Fund	5,068,871.12
Payroll Fund	<u>118,784.56</u>
Total Cash	<u>\$ 19,759,241.67</u>

**Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

As of December 31, 2016, the Township's bank balances of \$12,316,146.59 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$ 1,998,940.10
Insured Under F.D.I.C.	294,463.25
Collateralized Under GUDPA	<u>17,592,167.13</u>
Total	<u><u>\$ 19,885,570.48</u></u>

**NOTE 3. INVESTMENTS**

**Custodial Credit Risk** - For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either the counterparty or the counterparty's trust department or agent but not in the Township's name.

**Investment Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A 40A:5-15.1 limits the investments that the Township may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Township has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk** - The Township does not place a limit on the amount that may be invested in any one issuer.

As of December 31, 2016 and 2015, the Township had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Book Value</u>
2016:		
LOSAP	<u>\$ 1,852,945.90</u>	<u>\$ 1,852,945.90</u>
2015:		
LOSAP	<u>\$ 1,758,017.29</u>	<u>\$ 1,758,017.29</u>

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 4. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

**Comparative Schedule of Tax Rate Information**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	\$ <u>2.069</u>	\$ <u>2.012</u>	\$ <u>1.955</u>
Apportionment of Tax Rate			
Municipal	.618	.600	.600
Municipal Open Space	.010	.010	.010
County	.407	.404	.395
Local School District	.586	.561	.555
Regional School District	.436	.425	.383
County Open Space	.012	.012	.012
Assessed Valuation			
2016	\$ 5,119,435,600		
2015		\$ 5,102,034,098	
2014			\$ 5,094,011,422

**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>Collection</u>	<u>Percentage of Collection</u>
2016	\$ 106,331,265	\$ 103,711,457	97.54%
2015	103,129,564	100,540,548	97.48%
2014	99,811,146	96,457,125	96.63%

**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>
2016	\$ 1,041,729	\$ 1,993,493	\$ 3,035,222	2.86%
2015	909,512	2,108,170	3,017,682	2.93%
2014	678,807	3,056,369	3,735,176	3.74%

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 13<sup>th</sup>.

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 4. ASSESSMENT AND COLLECTION OF PROPERTY TAXES (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 5. ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2016 consisted of intergovernmental grants, taxes and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major funds, in the aggregate, are as follows:

	Current <u>Fund</u>	State & Federal Grant <u>Fund</u>	General Capital <u>Fund</u>	<u>Total</u>
State	\$ -	\$ 700,276	\$ 157,668	\$ 542,608
Federal	1,365,233	258,402	-	1,623,635
Taxes	3,035,222	-	-	3,035,222
Other	15,456	7,213	-	22,669
Total	<u>\$ 4,415,911</u>	<u>\$ 965,891</u>	<u>\$ 157,668</u>	<u>\$ 5,224,134</u>

**NOTE 6. GENERAL FIXED ASSETS**

The following changes occurred in the fixed assets of the Township during 2016:

	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2016</u>
General Fixed Asset Group:				
Land	\$ 6,531,802	\$ -	\$ 286,795	\$ 6,245,007
Buildings	7,625,923	-	-	7,625,923
Machinery and Equipment	27,868,038	2,224,315	1,138,085	28,954,268
	<u>\$ 42,025,763</u>	<u>\$ 2,224,315</u>	<u>\$ 1,424,880</u>	<u>\$ 42,825,198</u>

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 7. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheets at December 31, 2016:

	<b><u>Interfund Receivable</u></b>	<b><u>Interfund Payable</u></b>
Current Fund	\$ 335,583	\$ 42,950
Grant Fund	42,022	
Trust Other Fund		419,168
General Capital Fund	928	
Payroll Fund	<u>385,795</u>	<u>302,210</u>
	<u>\$ 764,328</u>	<u>\$ 764,328</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.

The summary of interfund transfers follows:

<b>Fund</b>	<b>Transfer In</b>	<b>Transfer Out</b>
Current Fund	\$ 42,791	\$ 296,531
Trust Fund	442,308	115,661
General Capital Fund	-	928
Payroll Fund	<u>295,112</u>	<u>367,091</u>
	<u>\$ 780,211</u>	<u>\$ 780,211</u>

**NOTE 8. 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, 2016, the following deferred charges are shown on the balance sheet of the various funds:

	<b><u>Balance Dec. 31, 2016</u></b>	<b><u>Required to be Raised as 2017 Budget Appropriation</u></b>	<b><u>Balance to Succeeding Years</u></b>
Current Fund:			
Special Emergency Authorizations (N.J.S. 40A:4-55):			
2012 Contractually Required Severance Liabilities	\$ 51,339	\$ 51,339	\$ -0-
Superstorm Sandy	1,200,000	1,200,000	-0-
2013 Contractually Required Severance Liabilities	178,779	89,390	89,389
2014 Contractually Required Severance Liabilities	145,216	48,405	96,811
2015 Contractually Required Severance Liabilities	53,525	13,381	40,144
2016 Contractually Required Severance Liabilities	<u>260,720</u>	<u>52,144</u>	<u>208,576</u>
	<u>\$ 1,889,579</u>	<u>\$ 1,454,659</u>	<u>\$ 434,920</u>

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 8.      DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS (CONTINUED)**

The Current Fund has a 2.00% emergency note outstanding at December 31, 2016 in the amount of \$1,200,000 for expenses related to Superstorm Sandy. The note is required to be repaid at a minimum amount of 20% of the original emergency per year or a maximum of five years.

**NOTE 9.      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 10.     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.

	<b>Local District School Tax</b>		<b>Regional School Tax</b>	
	<b><u>Balance December 31</u></b>		<b><u>Balance December 31</u></b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Balance of Tax	\$ 14,256,786	\$ 13,626,161	\$ 10,413,721	\$ 10,072,897
Deferred	<u>14,256,786</u>	<u>13,626,161</u>	<u>10,413,721</u>	<u>10,072,897</u>
Tax Payable	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

**NOTE 11.     TAXES COLLECTED IN ADVANCE**

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

	<b><u>Balance December 31</u></b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>
Prepaid Taxes	\$ 1,438,245	\$ 1,232,355

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 12. DEBT**

**A. Long-Term Debt**

**SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Issued and Outstanding</u>			
General:			
Bonds, Notes and Loans	\$ 45,364,155	\$ 40,943,887	\$ 37,974,647
Less Deductions:			
Reserve for Debt Service	332,213	64,966	70,629
Open Space Trust (N.J.S.A. 40A:2-44(h))	<u>788,152</u>	<u>851,426</u>	<u>916,072</u>
Net Debt Issued	<u>44,243,790</u>	<u>40,027,495</u>	<u>36,987,946</u>
	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>1,948,355</u>	<u>1,948,355</u>	<u>1,948,355</u>
Net Bonds and Notes Issued and Authorized but not Issued	\$ <u>46,192,145</u>	\$ <u>41,975,850</u>	\$ <u>38,936,301</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 .89%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 10,250,000	\$ 10,250,000	\$ -0-
Regional School District Debt	2,598,000	2,598,000	-0-
General Debt	<u>47,312,510</u>	<u>1,120,365</u>	<u>46,192,145</u>
	\$ <u>60,160,510</u>	\$ <u>13,968,365</u>	\$ <u>46,192,145</u>

Net Debt \$46,192,145 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$5,169,868,824 = .893%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 180,945,409
Net Debt	<u>46,192,145</u>
Remaining Borrowing Power	\$ <u>134,753,264</u>

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes



**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 12. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

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.

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

**General Capital Fund**

\$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%	\$ 7,645,000
\$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%	7,350,000
\$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%	\$ 2,990,000
\$11,409,000 2016 Bonds due in annual installments ranging from \$575,000 to \$1,150,000 through 2028 at an interest rates ranging From 2.00% to 3.00%	<u>11,409,000</u>
	\$ <u>29,394,000</u>

The bonds mature serially in installments to the year 2028. 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>
2017	\$ 3,350,000	\$ 689,718	\$ 4,039,718
2018	3,330,000	613,218	3,943,218
2019	3,315,000	535,930	3,850,930
2020	3,295,000	456,568	3,751,568
2021	3,095,000	470,851	3,565,851
2022-2026	10,710,000	976,243	11,686,243
2027-2028	<u>2,299,000</u>	<u>68,958</u>	<u>2,367,958</u>
	\$ <u>29,394,000</u>	\$ <u>3,811,486</u>	\$ <u>33,205,486</u>

**Green Trust Loan Programs**

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

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 12. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

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>
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	60,294	6,297	66,591
2022-2026	231,581	17,144	248,725
2027-2028	<u>42,168</u>	<u>530</u>	<u>42,698</u>
	\$ <u>641,494</u>	\$ <u>64,270</u>	\$ <u>705,764</u>

**Environmental Infrastructure Trust Fund Loans**

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

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

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

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

<u>Year</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>
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	103,110	80,000	15,338
2022-2026	441,867	190,000	41,138
2027-2029	53,586	80,000	5,660
Deobligation		<u>(49,510)</u>	
	\$ <u>1,087,244</u>	\$ <u>570,490</u>	\$ <u>157,888</u>

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 12. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

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

**B. Short-Term Debt**

On December 31, 2016, the Township's outstanding notes payable were as follows:

<b><u>Ordinance Number</u></b>	<b><u>Description</u></b>	<b><u>Amount</u></b>	<b><u>Interest Rate</u></b>
15-01	Various Capital Improvements	\$ 6,240,977	2.00%
16-01	Various Capital Improvements	<u>7,429,950</u>	2.00%
Total Bond Anticipation Notes Payable		\$ <u>13,670,927</u>	
N/A	Special Emergency Note Payable	\$ <u>1,200,000</u>	2.00%

**C. Bonds and Notes Authorized but not Issued**

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

	<b><u>2016</u></b>	<b><u>2015</u></b>
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, 2016 was .89%. The Township's remaining borrowing power is 2.61%.

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 2016 the following changes occurred in the outstanding debt of the Township:

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 12. DEBT (CONTINUED)**

**E. Summary of Debt Service (Continued)**

	<u>Balance Jan. 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2016</u>	<u>Due Within One Year</u>
Current Fund:					
Special Emergency					
Notes	\$ 2,400,000	\$ 1,200,000	\$ 2,400,000	\$ 1,200,000	\$ 1,200,000
General Capital:					
Serial Bonds	20,730,000	11,409,000	2,745,000	29,394,000	3,350,000
Bond Anticipation					
Notes	17,650,905	7,429,950	11,409,928	13,670,927	13,670,927
Green Trust loans	724,851		83,357	641,494	85,032
NJEIT Loans	1,838,132		180,398	1,657,734	177,772
Other:					
Accumulated					
Absences	2,910,397	84,796		2,995,193	
	<u>\$ 46,254,285</u>	<u>\$ 20,123,746</u>	<u>\$ 16,818,683</u>	<u>\$ 49,559,348</u>	<u>\$ 18,483,731</u>

**NOTE 13. 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>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>		
2016	\$ 4,164,228	\$ 2,032,750 *
2015	3,582,772	2,401,129
2014	1,753,008	800,000
2013	2,373,336	1,330,000
2012	10,145	-0-

\* Introduced

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14.     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 \$2,995,193 and \$2,910,397 at December 31, 2016 and 2015, respectively. A reserve is maintained in the Other Trust Fund and had no balance as of December 31, 2016. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 15.     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](http://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:

<b><u>Tier</u></b>	<b><u>Definition</u></b>
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.

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Components of Net Pension Liability** - At December 31, 2016, the Township reported a liability of \$28,718,278 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The 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, 2016. The Township's proportion measured as of June 30, 2016, was .09697%, which was an increase of .00088% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 & December 31, 2015

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	\$ 7,721,053	\$ 2,830,990
Deferred Inflows of Resources	940,640	1,548,658
Net Pension Liability	28,718,278	21,569,697
Township's Portion of the Plan's Total		
Net Pension Liability	0.09697%	0.09609%

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

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 534,073	\$ -
Changes of Assumptions	5,948,893	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,095,054	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>143,033</u>	<u>940,640</u>
	<u><u>\$ 7,721,053</u></u>	<u><u>\$ 940,640</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

<b>Year Ending</b>		
<b><u>Dec 31,</u></b>		<b><u>PERS</u></b>
2017	\$	1,470,232
2018		1,470,237
2019		1,750,709
2020		1,539,139
2021		<u>550,096</u>
	<u><u>\$</u></u>	<u><u>6,780,413</u></u>

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

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



**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

<b><u>PERS</u></b>	
Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

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

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

	Decrease (2.98%)	Discount Rate (3.98%)	Increase (4.98%)
Township's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 35,190,898	\$ 28,718,278	\$ 23,374,569

**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](http://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

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15.      PENSION OBLIGATIONS (CONTINUED)**

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

if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

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

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$378,209 for 2016.

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

**Net Pension Liability and Pension Expense** - At December 31, 2016, the Township's proportionate share of the PFRS net pension liability is valued to be \$35,262,227. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The 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, 2016. The Township's proportion measured as of June 30, 2016, was .18459%, which was a decrease of .01433% from its proportion measured as of June 30, 2015.

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

Collective Balances at December 31, 2016 & December 31, 2015

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	\$ 7,747,256	\$ 6,633,486
Deferred Inflows of Resources	2,699,016	1,914,163
Net Pension Liability	35,262,227	33,133,714
Township's Portion of the Plan's Total		
Net Pension Liability	0.18459%	0.19892%

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 231,149
Changes of Assumptions	4,884,108	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,470,753	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>392,395</u>	<u>2,467,867</u>
	<u>\$ 7,747,256</u>	<u>\$ 2,699,016</u>

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense as follows:

	<b>Year Ending Dec 31,</b>	<b>PFRS</b>		
	2017	\$ 1,307,147		
	2018	1,307,145		
	2019	1,976,285		
	2020	963,541		
	2021	(505,878)		
		<u>\$ 5,048,240</u>		
			<b><u>Deferred</u></b>	<b><u>Deferred</u></b>
			<b><u>Outflows of</u></b>	<b><u>Inflows of</u></b>
			<b><u>Resources</u></b>	<b><u>Resources</u></b>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014		-	-	
June 30, 2015		-	5.53	
June 30, 2016		-	5.58	
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014		6.17	-	
June 30, 2015		5.53	-	
June 30, 2016		5.58	-	
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014		-	5.00	
June 30, 2015		-	5.00	
June 30, 2016		5.00	-	
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014		6.17	6.17	
June 30, 2015		5.53	5.53	
June 30, 2016		5.58	5.58	

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

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

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$2,961,152 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The State's proportion of the net pension liability associated with the 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, 2016 was .018459%, which was a decrease of .01432% from its proportion measured as of June 30, 2015, which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 35,262,227
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>2,961,152</u>
Total Net Pension Liability	<u>\$ 38,223,379</u>

For the year ended December 31, 2016, the Township's total allocated pension expense was \$3,339,361.

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

Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females). The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

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

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
Total	100.00%	



**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 15. PENSION OBLIGATIONS (CONTINUED)**

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

**Discount Rate** - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

	Decrease (4.55%)	Discount Rate (5.55%)	Increase (6.55%)
Township's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 49,286,244	\$ 38,223,379	\$ 29,202,277

**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.

As of December 31, 2016, the Township did not have any employees participating in the Defined Contribution Retirement Program.

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 16.      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](http://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, 2016, 2015 and 2014 were \$2,289,249, \$2,107,297 and \$1,895,558, respectively, which equaled the required contributions for each year. There were approximately 130, 124 and 116 retired participants eligible at December 31, 2016, 2015 and 2014, respectively.

**NOTE 17.      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, 2016**

**NOTE 18.      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, 2016, 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 2016 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.

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 19.      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).

**TOWNSHIP OF BERKELEY (COUNTY OF OCEAN)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**NOTE 19.      LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) – UNAUDITED (CONTINUED)**

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

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

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

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

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

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

**NOTE 20.      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, 2016**

**NOTE 21.     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, 2016 is \$161,096.

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

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

**NOTE 22.     SUBSEQUENT EVENTS**

On February 27, 2017 the Township adopted an ordinance appropriating \$8,650,000 for various capital equipment and authorizing the issuance of \$7,956,250 in general improvement bonds or notes to finance same.

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**SUPPLEMENTARY EXHIBITS**

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<b>CURRENT FUND</b>
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**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-4**

Balance December 31, 2015	A	\$ 6,169,597.51
Increased by Receipts:		
Taxes Receivable	\$ 102,857,684.29	
Revenue Accounts Receivable	8,630,627.30	
Tax Overpayments	280,677.01	
State of New Jersey (Ch. 20, P.L. 1971)	1,666,700.37	
Miscellaneous Revenue not Anticipated	189,014.17	
Special Emergency Note Payable	1,200,000.00	
Sales Tax Payable	11,103.05	
Tax Title Liens Receivable	87,192.99	
Prepaid Taxes	1,438,245.38	
Municipal Utility Authority	228,605.89	
Garden State Trust Revenue Reserve	42,590.00	
Operations:		
Expired Tax Sale Premiums	19,500.00	
Prior Year Cancelled Checks	305.65	
Change Fund	550.00	
Interfunds:		
Grant Fund	628,239.29	
Other	42,790.85	
	<hr/>	
		117,323,826.24
		<hr/> 123,493,423.75
Decreased by Disbursements:		
Budget Appropriations	38,552,965.64	
County Taxes Payable	21,607,210.67	
Regional School Tax	21,965,322.48	
Local School District Tax	29,326,250.00	
Municipal Utility Authority	229,626.79	
Special Emergency Note Payable	2,400,000.00	
Sales Tax Payable	11,455.82	
Appropriation Reserves	898,963.18	
Tax Overpayments Refunded	287,699.94	
Open Space Tax	513,837.90	
Spending Reserves	135,647.85	
Change Fund	500.00	
Interfunds:		
Grant Fund	443,297.60	
Other	296,531.18	
	<hr/>	
		116,669,309.05
		<hr/> <hr/>
Balance December 31, 2016	A	\$ <u>6,824,114.70</u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**Exhibit A-5**

**CURRENT FUND**

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Year	Balance Dec. 31, 2015	2016 Levy	Added Amounts	Collections		Due from State	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2016
				2016	2015				
Prior to 2014	\$ 3,592.41	-	-	-	-	-	-	-	3,592.41
2014	1,497.09	-	-	1,066.97	-	-	-	-	430.12
2015	2,103,080.61	-	107,116.37	2,044,549.31	47,257.34	5,003.43	4,414.48	100,381.14	8,591.28
	2,108,170.11	-	107,116.37	2,045,616.28	47,257.34	5,003.43	4,414.48	100,381.14	12,613.81
2016	-	106,311,877.75	19,388.47	100,812,068.01	1,232,354.57	1,667,034.80	199,284.80	439,645.30	1,980,878.74
	\$ 2,108,170.11	\$ 106,311,877.75	\$ 126,504.84	\$ 102,857,684.29	\$ 1,279,611.91	\$ 1,672,038.23	\$ 203,699.28	\$ 540,026.44	\$ 1,993,492.55
<b><u>Analysis of 2016 Property Tax Yield and Tax Levy</u></b>									
<b><u>Tax Yield:</u></b>									
General Purpose Tax							\$ 105,921,134.43		
Added and Omitted Taxes							390,743.32		
								\$ 106,311,877.75	
<b><u>Tax Levy:</u></b>									
Local District School Tax (Abstract)							\$ 29,956,875.00		
Regional School Tax (Abstract)							22,306,146.00		
County Taxes:									
County Tax (Abstract)									
County Library Tax (Abstract)									
County Health Tax (Abstract)									
County Open Space Tax (Abstract)									
Due County for Added and Omitted Taxes							21,587,910.93		
Total County Taxes									
Local Open Space Tax							513,837.90		
Local Tax for Municipal Purposes							31,614,007.91		
Add: Additional Tax Levied							333,100.01		
									\$ 106,311,877.75

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-6**

Balance December 31, 2015		\$ 909,511.67
Increased by:		
Transfers from Taxes Receivable	\$ 203,699.28	
Interest and Costs Accrued at Tax Sale	3,491.93	
Adjust to Actual	<u>12,219.51</u>	
		<u>219,410.72</u>
		<u>1,128,922.39</u>
Decreased by:		
Receipts		<u>87,192.99</u>
Balance December 31, 2016		\$ <u><u>1,041,729.40</u></u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-7**  
**Sheet 1 of 2**

	<b>Ref.</b>	<b>Balance Dec. 31, 2015</b>	<b>Accrued in 2016</b>	<b>Collections</b>	<b>Balance Dec. 31, 2016</b>
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 45,356.00	\$ 45,356.00	\$
Other			4,275.00	4,275.00	
Fees and Permits	A-2		387,427.91	387,427.91	
Fines and Costs:	A-2				
Municipal Court	A-2	14,298.87	209,149.37	211,347.22	12,101.02
Interest and Costs on Taxes	A-2		514,190.53	514,190.53	
Interest on Investments and Deposits	A-2		12,368.88	12,368.88	
Beach Admission Fees	A-2		93,026.00	93,026.00	
Municipal Golf Course	A-2		538,896.23	538,896.23	
Berkeley Township Board of Education - Trash	A-2		224,235.47	224,235.47	
Water and Cable Franchise Fees	A-2		27,366.94	27,366.94	
Hotel and Motel Occupancy Tax	A-2				
State Aid:					
Energy Receipts Tax			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:	A-2				
Animal Control Services	A-2		7,501.67	7,501.67	
Berkeley Board of Education Fuel Facilities			57,178.69	57,178.69	
Central Regional Board of Education Fuel Facilities			100,835.40	100,835.40	
Fire Protection			26,500.00	26,500.00	
Other Special Items:					
Community Services Officer Program-Ambulance Service Fees			698,045.66	698,045.66	
Health Care Coverage - Employee Percentage			501,506.45	501,506.45	
Grant Proceeds			82,260.84	82,260.84	
Ocean County Recycling Revenue Sharing Program			20,689.63	20,689.63	
Sale of Land			286,794.50	286,794.50	

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Exhibit A-7  
Sheet 2 of 2

	<b>Ref.</b>	<b>Balance Dec. 31, 2015</b>	<b>Accrued in 2016</b>	<b>Collections</b>	<b>Balance Dec. 31, 2016</b>
Refuge Revenue Sharing Act		\$	\$ 933.00	\$ 933.00	\$
Capital Fund Reserve for Cash			64,249.29	64,249.29	
FEMA Reimbursement-Super Storm Sandy			900,000.00	900,000.00	
Senior/Veteran Administration Fee			33,599.01	33,599.01	
Surplus from the Berkeley Township Municipal Utility Authority			86,019.00	86,019.00	
Surplus from the Berkeley Township Sewer Authority			410,000.00	410,000.00	
Uniform Fire Safety Act			26,330.86	26,330.86	
		<u>\$ 14,298.87</u>	<u>\$ 9,615,201.33</u>	<u>\$ 9,617,399.18</u>	<u>\$ 12,101.02</u>
	<b>Ref.</b>	<u>A</u>			<u>A</u>
Receipts	A-4			\$ 8,630,627.30	
FEMA Receivable	A-14			900,000.00	
Interfunds				44,181.88	
Revenue Reserve Realized-Garden State Trust Fund	A-15			42,590.00	
				<u>\$ 9,617,399.18</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, 2016**

Exhibit A-8

<u>Date Authorized</u>	<u>Improvement Description</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Authorization</u>	<u>2016 Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
11/14/2011	Contractually Required Severance	\$ 435,149.52	\$ 87,029.90	\$ 85,028.40	-	\$ 85,028.40	\$ -
12/11/2012	Contractually Required Severance	256,695.52	51,339.10	102,678.22	-	51,339.10	51,339.12
12/31/2012	Superstorm Sandy	6,000,000.00	1,200,000.00	2,400,000.00	-	1,200,000.00	1,200,000.00
12/30/2013	Contractually Required Severance	446,948.55	89,389.71	268,169.13	-	89,389.71	178,779.42
11/24/2014	Contractually Required Severance	242,026.80	48,405.36	193,621.44	-	48,405.36	145,216.08
12/14/2015	Contractually Required Severance	66,906.24	13,381.25	66,906.24	-	13,381.25	53,524.99
11/14/2016	Contractually Required Severance	260,750.15	52,150.03	-	260,720.15	-	260,720.15
				<u>\$ 3,116,403.43</u>	<u>\$ 260,720.15</u>	<u>\$ 1,487,543.82</u>	<u>\$ 1,889,579.76</u>
	Ref.			A	A-3	A-3	A



**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-9**  
**Sheet 1 of 6**

**OPERATIONS WITHIN CAPS**

**General Government Functions**

**General Administration:**

Salaries and Wages  
Other Expenses

**Human Resources:**

Salaries and Wages  
Other Expenses

**Office of the Mayor:**

Salaries and Wages  
Other Expenses

**Township Council:**

Salaries and Wages  
Other Expenses

**Municipal Clerk:**

Salaries and Wages  
Other Expenses

**Financial Administration:**

Salaries and Wages  
Other Expenses

**Audit Services:**

Other Expenses

**Revenue Administration (Tax Collection):**

Salaries and Wages  
Other Expenses

**Tax Assessment Administration:**

Salaries and Wages  
Other Expenses

**Division of Central Services:**

Salaries and Wages  
Other Expenses

**Legal Services:**

Other Expenses

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
\$	11,824.73	\$	1,824.73	\$	1,824.73
	572.65	237.78	3,237.78	3,237.78	-
	2,937.63	-	2,937.63	2,018.28	919.35
	65.00	-	65.00	32.15	32.85
	0.08	-	0.08	-	0.08
	189.84	476.29	666.13	473.75	192.38
	846.64	-	846.64	-	846.64
	178.83	-	178.83	-	178.83
	420.95	-	420.95	420.95	-
	1,577.20	9,301.50	10,878.70	9,427.00	1,451.70
	17,274.32	-	11,106.90	6,662.59	4,444.31
	735.57	2,337.31	3,072.88	2,333.43	739.45
	1,551.00	-	2,880.00	2,880.00	-
	11,488.89	-	11,488.89	6,633.66	4,855.23
	7,976.37	5,999.16	13,975.53	5,537.14	8,438.39
	3,448.42	-	5,023.42	5,023.42	-
	7.06	429.63	436.69	397.96	38.73
	58.78	-	58.78	-	58.78
	6,745.35	-	6,745.35	-	6,745.35
	41,715.61	6,036.95	47,752.56	44,007.99	3,744.57

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Engineering Services:					
Other Expenses	\$ 34,368.65	\$ 32,449.97	\$ 66,818.62	\$ 66,116.74	\$ 701.88
Economic Development Agencies:					
Salaries and Wages	200.00	-	200.00	-	200.00
Other Expenses	110.00	65.00	175.00	-	175.00
Senior Citizens Advisory Committee:					
Salaries and Wages	200.00	-	200.00	-	200.00
Waterways Advisory Committee:					
Other Expenses	-	100.00	100.00	100.00	-
Municipal Court:					
Salaries and Wages	2,297.97	-	3,830.97	3,830.97	-
Other Expenses	3.71	4,314.60	4,318.31	3,482.80	835.51
Public Defender (P.L. 1997, c256):					
Other Expenses	8,749.98	83.34	8,833.32	-	8,833.32
<b><u>Land Use Administration</u></b>					
Planning Board / Director of Planning:					
Other Expenses	6,303.06	108.17	37,666.21	37,666.21	-
Planning Board:					
Salaries and Wages	542.67	-	542.67	542.67	-
Other Expenses	1,089.95	195.72	20,781.67	20,779.16	2.51
Division of Zoning:					
Salaries and Wages	1,258.01	-	1,258.01	1,258.01	-
Other Expenses	4,257.67	105.46	4,363.13	1,585.76	2,777.37
Zoning Board of Adjustment:					
Salaries and Wages	544.41	-	544.41	280.63	263.78
Other Expenses	6,009.99	2,089.91	8,099.90	4,816.50	3,283.40
<b><u>Insurance</u></b>					
General Liability	66,141.75	-	71,010.44	71,010.44	-
Workers Compensation	51,844.96	-	26,544.51	20,164.50	6,380.01
Employee Group Insurance	48,378.98	76,527.82	76,117.87	4,822.67	71,295.20
Group Health	3,305.35	-	3,305.35	104.21	3,201.14

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-9**  
**Sheet 3 of 6**

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b><u>Public Safety Functions</u></b>					
Police Department:					
Salaries and Wages	\$ 352,988.12	\$ -	\$ 352,988.12	\$ 74,236.42	\$ 278,751.70
Other Expenses	38,599.83	113,576.63	152,176.46	109,207.42	42,969.04
Emergency Management:					
Salaries and Wages	10,000.00	-	10,000.00	-	10,000.00
Other Expenses	11,593.56	4,661.45	16,255.01	3,587.05	12,667.96
Aid to Volunteer Fire Companies:					
Other Expenses	1,190.04	19,132.71	20,322.75	18,090.15	2,232.60
Fire Department:					
Salaries and Wages	127.20	-	127.20	127.20	-
Other Expenses	910.99	277.18	1,188.17	277.13	911.04
Municipal Prosecutor:					
Other Expenses	4,132.50	25.00	4,157.50	4,012.50	145.00
<b><u>Public Works Functions</u></b>					
Streets and Roads Maintenance:					
Salaries and Wages	21,474.16	-	21,474.16	5,583.55	15,890.61
Other Expenses	10,558.49	30,733.07	41,291.56	14,818.25	26,473.31
Other Public Works Functions/ Signs, Maintenance:					
Salaries and Wages	3,281.11	-	3,281.11	-	3,281.11
Other Expenses	2,770.66	4,628.39	7,399.05	4,925.74	2,473.31
Other Public Works Functions/ Building Demolition:					
Other Expenses	1,000.00	-	1,000.00	-	1,000.00
Sanitation/Solid Waste Collection:					
Salaries and Wages	49,720.36	-	49,720.36	6,205.78	43,514.58
Other Expenses	2,066.51	25,241.55	27,308.06	17,158.56	10,149.50
Solid Waste Collection/Recycling:					
Salaries and Wages	9,114.33	-	9,114.33	4,227.99	4,886.34
Other Expenses	4,613.47	2,554.05	7,167.52	4,113.88	3,053.64
Buildings and Grounds:					
Salaries and Wages	14,025.58	-	14,025.58	128.18	13,897.40
Other Expenses	3,240.12	11,226.34	14,466.46	11,899.10	2,567.36

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Equipment Maintenance:					
Salaries and Wages	\$ 6,858.11	\$ -	\$ 6,858.11	\$ 2,673.33	\$ 4,184.78
Other Expenses	4,420.93	6,212.75	10,633.68	5,211.80	5,421.88
<b><u>Health and Human Services</u></b>					
Environmental Health Services:					
Other Expenses	100.00	100.00	200.00	100.00	100.00
Animal Control Services:					
Salaries and Wages	3,317.15	-	3,317.15	-	3,317.15
Other Expenses	477.71	-	477.71	-	477.71
<b><u>Parks and Recreation</u></b>					
Recreation Services and Programs:					
Salaries and Wages	5,555.83		5,555.83	4,993.29	562.54
Other Expenses	1,894.18	5,520.96	7,415.14	5,391.90	2,023.24
Recreation Services and Programs/Golf Course:					
Salaries and Wages	5,358.01		5,558.01	5,558.01	-
Other Expenses	2,959.13	12,678.72	15,637.85	12,646.47	2,991.38
Maintenance of Parks:					
Salaries and Wages	7,190.22		7,190.22	2,051.08	5,139.14
Other Expenses	1,683.57	9,116.94	10,800.51	8,093.46	2,707.05
Beach and Boardwalk Operations:					
Other Expenses	24.83	1,446.00	1,470.83	-	1,470.83
<b><u>Utilities and Bulk Purchases</u></b>					
Utilities:					
Other Expenses	32,451.79	20,268.47	80,293.04	79,594.21	698.83
Street Lighting:					
Other Expenses	73,793.14	3.56	73,796.70	37,130.73	36,665.97
Gasoline:					
Other Expenses	61,651.06	25,261.95	86,913.01	74,727.10	12,185.91
<b><u>Landfill/Solid Waste</u></b>					
Landfill/Solid Waste Disposal Costs:					
Other Expenses/Tipping	6,035.23	861.00	6,896.23	3,083.00	3,813.23

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b><u>Code Enforcement and Administration</u></b>	<b><u>Balance Dec. 31, 2016</u></b>	<b><u>Reserve for Encumbrances</u></b>	<b><u>Balance After Transfers</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Balance Lapsed</u></b>
Other Code Enforcement Functions:					
Salaries and Wages	\$ 2,743.00	\$ -	\$ 2,743.00	\$ 2,743.00	\$ -
Other Expenses	1,083.18	930.80	2,013.98	702.94	1,311.04
Total Operations within Caps	<u>1,104,226.13</u>	<u>435,316.13</u>	<u>1,539,542.26</u>	<u>848,946.59</u>	<u>690,595.67</u>
Contingent	2,000.00		2,000.00		2,000.00
Total Operations within Caps including Contingent	<u>1,106,226.13</u>	<u>435,316.13</u>	<u>1,541,542.26</u>	<u>848,946.59</u>	<u>692,595.67</u>

**STATUTORY EXPENDITURES WITHIN CAPS**

Contribution to:					
Social Security System	8,126.62	-	8,126.62	793.91	7,332.71
Defined Contribution Retirement Program	1,600.00	-	1,600.00	-	1,600.00
Total Deferred Charges and Statutory Expenditures within Caps	<u>9,726.62</u>	<u>-</u>	<u>9,726.62</u>	<u>793.91</u>	<u>8,932.71</u>
Total Appropriations within Caps	<u>1,115,952.75</u>	<u>435,316.13</u>	<u>1,551,268.88</u>	<u>849,740.50</u>	<u>701,528.38</u>

**OPERATIONS EXCLUDED FROM CAPS**

Length of Service Awards Program (N.J.A.C. 5:30-14.25):					
Other Expenses	3,617.00	-	3,617.00	2,500.00	1,117.00
Stormwater and Water Pollution (N.J.S.A. 40A: 4-45.3(cc)):					
Salaries and Wages	6,148.64	-	6,148.64		6,148.64
Other Expenses	296.38	4,949.20	5,245.58	4,657.15	588.43
Recycling Enhancement Act (P.L. 2007 c.311):					
Other Expenses	2,194.90	20,321.92	22,516.82	20,598.44	1,918.38
<b><u>Interlocal Municipal Service Agreements</u></b>					
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	-
Berkeley Board of Education - Fuel:					
Other Expenses	24,827.05	-	24,827.05	-	24,827.05
Central Regional Board of Education - Fuel:					
Other Expenses	77,531.45	-	77,531.45	-	77,531.45

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-9**  
**Sheet 6 of 6**

	<b>Balance Dec. 31, 2016</b>	<b>Reserve for Encumbrances</b>	<b>Balance After Transfers</b>	<b>Paid or Charged</b>	<b>Balance Lapsed</b>
Community Service Officer Program:					
Salaries and Wages	\$ 46,574.20	\$ -	\$ 46,574.20	\$	\$ 46,574.20
Other Expenses	556.04	16,847.73	17,403.77	14,967.09	2,436.68
Total Operations excluded from Caps	<u>164,245.66</u>	<u>48,618.85</u>	<u>212,864.51</u>	<u>49,222.68</u>	<u>163,641.83</u>
Total General Appropriations	<u>\$ 1,280,198.41</u>	<u>\$ 483,934.98</u>	<u>\$ 1,764,133.39</u>	<u>\$ 898,963.18</u>	<u>\$ 865,170.21</u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-10**

Balance December 31, 2015:	
School Tax Deferred	\$ 13,626,161.01
Increased by:	
Levy for School Year July 1, 2016 to June 30, 2017	<u>29,956,875.00</u> 43,583,036.01
Decreased by:	
Disbursements	<u>29,326,250.00</u>
Balance December 31, 2016:	
School Tax Deferred	\$ <u><u>14,256,786.01</u></u>
<b><u>2016 Charge to Operations for Local School Tax</u></b>	
Balance December 31, 2015 - School Tax Deferred	\$ 13,626,161.01
Add: 2016-2017 School Tax Levy	29,956,875.00
Less: Ending Balance December 31, 2016 - School Tax Deferred	<u>(14,256,786.01)</u>
Amount Charged to 2016 Operations	\$ <u><u>29,326,250.00</u></u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
SCHEDULE OF REGIONAL SCHOOL TAX  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-11**

Balance December 31, 2015:	
School Tax Deferred	\$ 10,072,897.10
Increased by:	
Levy for School Year July 1, 2016	
to June 30, 2017	22,306,146.00
	<u>32,379,043.10</u>
Decreased by:	
Disbursements	<u>21,965,322.48</u>
Balance December 31, 2016:	
School Tax Deferred	\$ <u>10,413,720.62</u>
<b><u>2016 Charge to Operations for Regional School Tax</u></b>	
Balance December 31, 2015 - School Tax Deferred	\$ 10,072,897.10
Add: 2016-2017 School Tax Levy	22,306,146.00
Less: Ending Balance December 31, 2016 - School Tax Deferred	<u>(10,413,720.62)</u>
Amount Charged to 2016 Operations	\$ <u>21,965,322.48</u>



**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-12**

Balance December 31, 2015	A		\$ 98,618.31
2016 Tax Levy:			
County Tax (Abstract)	A-5	\$ 18,220,170.20	
County Library Tax (Abstract)	A-5	1,961,696.19	
County Health Tax (Abstract)	A-5	707,397.42	
County Open Space Tax (Abstract)	A-5	619,328.55	
Due County for Added and Omitted Taxes	A-5	<u>79,318.57</u>	
	A-1		<u>21,587,910.93</u>
			<u>21,686,529.24</u>
Decreased by:			
Disbursements			<u>21,607,210.67</u>
Balance December 31, 2016	A		<u><u>\$ 79,318.57</u></u>

**SCHEDULE OF MUNICIPAL OPEN SPACE TAX  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-13**

Increased by:			
Levy Calendar Year 2016	A-1,6	\$ 513,837.90	
Decreased by:			
Disbursements	A-4	<u>513,837.90</u>	
Balance December 31, 2016			<u><u>\$ -</u></u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF SPENDING RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Exhibit A-14

<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Authorization</u>	<u>Expended</u>	<u>Balance Dec. 31, 2016</u>
Contractually Required Severance	\$ 50,000.40	\$ 260,720.15	\$ 62,000.00	\$ 248,720.55
Revaluation	53,754.35	-	53,754.35	-
Storm Damage - Superstorm Sandy	546,646.70	-	19,893.50	526,753.20
	<u>\$ 650,401.45</u>	<u>\$ 260,720.15</u>	<u>\$ 135,647.85</u>	<u>\$ 775,473.75</u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**

**Exhibit A-15**

**CURRENT FUND**

**SCHEDULE OF INTERFUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Total (Memo Only)</u>	<u>Other Trust Fund</u>	<u>General Capital Fund</u>	<u>Animal Control Trust Fund</u>	<u>Payroll Fund</u>
Balance December 31, 2015 - (Due From) /Due To	\$ (37,660.59)	\$ (27,756.01)	\$ -	\$ (510.56)	\$ (9,394.02)
Increased by:					
Disbursed	296,531.18	3,715.00			292,816.18
Anticipated as Current Fund Revenue	44,181.88	44,181.88			
Total Increases	<u>340,713.06</u>	<u>47,896.88</u>	<u>-</u>	<u>-</u>	<u>292,816.18</u>
Total Increases and Balances	<u>(378,373.65)</u>	<u>(75,652.89)</u>	<u>-</u>	<u>(510.56)</u>	<u>(302,210.20)</u>
Decreased by:					
Receipts	42,790.85	42,280.29		510.56	
2016 Budget Expenditures Paid in Other Funds	<u>928.00</u>	<u>928.00</u>	<u>928.00</u>	<u>510.56</u>	<u>-</u>
Total Decreases	<u>43,718.85</u>	<u>42,280.29</u>	<u>928.00</u>	<u>510.56</u>	<u>-</u>
Balance December 31, 2016 - (Due From) /Due To	\$ (334,654.80)	\$ (33,372.60)	\$ 928.00	\$ -	\$ (302,210.20)

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF INTERFUND**  
**GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-16**

Balance December 31, 2015-(Due To)		\$	(263,640.74)
Increased by:			
Appropriated Reserve Expenditures:			
Disbursements	\$	443,297.60	
Appropriated Reserves Cancelled		104,464.88	
2016 Revenue Anticipated		<u>540,230.13</u>	
			<u>1,087,992.61</u>
			(1,351,633.35)
Decreased by:			
Deposited in Current Fund:			
Grants Receivable		628,239.29	
Grants Receivable Cancelled		199,338.57	
2016 Budget Appropriations		<u>566,077.13</u>	
			<u>1,393,654.99</u>
Balance December 31, 2016-Due From		\$	<u><u>42,021.64</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, 2016**

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>2016</u> <u>Anticipated</u> <u>Revenue</u>	<u>Realized</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
CDBG Parking Facilities/Volunteer Community Center	\$ 33,000.00	\$ -	\$ 33,000.00	\$ -	\$ -
DOJ - Bulletproof Vest Partnership	12,203.90	-	2,884.00	28.78	9,291.12
Energy Allocation Initiative	215,400.00	-	-	-	215,400.00
Homeland Security Grant - FY 2013	4,122.27	-	-	4,122.27	-
Homeland Security Grant - FY 2014	33,066.00	-	32,586.10	479.90	0.00
Municipal Alliance on Alcoholism and Drug Abuse - 2014 TY	448.41	-	-	448.41	-
Municipal Alliance on Alcoholism and Drug Abuse - 2014 FY	2,972.28	-	-	2,972.28	-
NJ 966 Reimbursement Program - FY 2014	1,733.28	-	-	1,733.28	-
NJ Department of Law and Public Safety - 966 Grant - FY 2010	8,559.50	-	-	8,559.50	-
NJ DOT - Various Road Improvements	200,000.00	-	117,534.85	82,465.15	-
NJ Economic Development Authority Public Entity Grant	90,516.00	-	-	90,516.00	-
Ocean - Municipal Recycling Grant Program	7,213.00	-	-	-	7,213.00
Post Sandy Planning Assistance Grant	277,000.00	-	159,364.88	-	117,635.12
Post Sandy Planning Assistance Grant	1,252.52	-	-	-	1,252.52
Municipal Alcohol Education Rehabilitation Program - 2015 FY	27,501.74	-	25,239.22	-	2,262.52
Ocean Municipal Recycling Grant Program	7,213.00	-	-	7,213.00	-
2015 Drive Sober Or Get Pulled Over Labor Day Grant	200.00	-	-	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
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	600.00	-	-	600.00	-
Clean Communities Program	-	149,316.10	149,316.10	-	-
Municipal Alliance on Alcohol and Drug Abuse	-	31,388.00	7,575.33	-	23,812.67
DDEF FY2015 Grant	-	19,361.48	19,361.48	-	-
Bonus Grant Abandoned Tire Recycling Grant	-	11,000.00	11,000.00	-	-
Body Armor Fund	-	6,056.81	6,056.81	-	-

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**  
**GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Grant</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Anticipated Revenue</u>	<u>Realized</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2016</u>
Federal Emergency Management Agency Assistance Grant	\$ -	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -
FY16 Child Restraint Grant Program	-	3,000.00	2,400.00	-	600.00
NJOEM Grant	-	22,188.33	21,884.22	-	304.11
Zoning Code Enforcement Grant Program	-	99,679.63	-	-	99,679.63
FY 15 EMPG EMMA Grant	-	7,000.00	-	-	7,000.00
Drive Sober or Get Pulled Over Grant-Holiday	-	5,000.00	5,000.00	-	-
Drive Sober or Get Pulled Over Grant-Labor Day	-	5,000.00	-	-	5,000.00
Cops in Crosswalks Grant	-	19,200.00	4,800.00	-	14,400.00
Body Worn Camera Assistance Program	-	36,999.58	-	-	36,999.58
Hazard Mitigation Grant	-	50,535.00	-	-	50,535.00
2016 Body Armor	-	5,793.11	5,793.11	-	-
2016 Bulletproof Vest Partnership	-	4,715.00	-	-	4,715.00
966 Grant	-	32,997.09	-	-	32,997.09
FY16 Homeland Security Grant	-	26,000.00	-	-	26,000.00
	<u>\$ 1,259,295.77</u>	<u>\$ 540,230.13</u>	<u>\$ 634,296.10</u>	<u>\$ 199,338.57</u>	<u>\$ 965,891.23</u>
Interfund-Current Fund			\$ 628,239.29		
Unappropriated Reserves Realized			<u>6,056.81</u>		
			<u>\$ 634,296.10</u>		
Adopted Budget	\$ 348,944.65				
Added by 40A:4-87	<u>191,285.48</u>				
	<u>\$ 540,230.13</u>				

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-18**  
**Sheet 1 of 3**

<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, 2015</u>	<u>2016 Budget</u>	<u>Appropriation</u>	<u>Encumbrances</u>			<u>Dec. 31, 2016</u>
	\$	\$	\$	\$	\$	\$	\$
Body Armor Grant - 2011	1,711.69	-	-	-	-	-	1,711.69
Body Armor Grant - 2012	1,352.49	-	-	1,996.00	3,348.49	-	-
Body Armor Grant - 2014	8,605.72	-	-	-	8,354.31	-	251.41
Body Armor Grant - 2014	6,826.35	-	-	-	-	-	6,826.35
Bullet Proof Vest Partnership 2014	13,631.62	-	-	-	7,658.75	-	5,972.87
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	2,862.97	-	-	-	(24.99)	-	2,887.96
DOT - Various Road Improvements	200,000.00	-	-	-	117,534.85	82,465.15	-
EMAA Allocation - FY 2010	5,000.00	-	-	-	4,365.23	-	634.77
EMAA Allocation - FY 2011	5,000.00	-	-	-	-	-	5,000.00
Emergency Management Assistance - FY 2009	414.17	-	-	-	414.17	-	-
Energy Allocation Initiative	195,040.00	-	-	-	(3,562.50)	-	198,602.50
Homeland Security Grant - FY 2013	4,122.27	-	-	-	-	4,122.27	-
Homeland Security Grant - FY 2014	2,929.70	-	-	-	2,470.00	459.70	-
Municipal Alliance - 2014 Fiscal State Year	3,601.05	-	-	-	-	3,601.05	-
Municipal Alliance - 2014 Transition Year	3,190.67	-	-	-	-	3,190.67	-
Municipal Alliance - 2014	4,101.66	-	-	-	-	-	4,101.66
NJ 966 Grant - FY 2010	1,039.93	-	-	-	-	1,039.93	-
NJ 966 Reimbursement Program - FY 2014	1,231.73	-	-	-	-	1,231.73	-
NJ Drunk Driving Enforcement	6,498.67	-	-	169.00	1,444.76	-	5,222.91
NJEDA - Public Entity Grant	1,433.12	-	-	77.81	895.00	615.93	-
Post Sandy Planning Assistance Grant	2,556.86	-	-	126,214.75	128,289.25	-	482.36
Post Sandy Planning Assistance Grant	1,213.52	-	-	-	273.00	-	940.52
Recycling Tonnage Grant - 2010	462.85	-	-	-	-	462.85	-
State of NJ Department of Health and Senior Services -	-	-	-	-	-	-	-
Hepatitis B	525.00	-	-	-	-	-	525.00

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Grant</u>	<u>Balance Dec. 31, 2015</u>	<u>Transfer from 2016 Budget Appropriation</u>	<u>Reserve for Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2016</u>
Ocean County Tourism Grants	\$ 1,700.00	\$ -	\$ -	\$ 1,700.00	-	\$ -
Hazard Mitigation Grant Program - Townhall	1,196.50	-	-	965.00	-	231.50
Hazard Mitigation Grant Program - Townhall - Federal Share	92,536.04	-	-	13,081.75	-	79,454.29
NJEDA Public Entity Grant	3,348.85	-	-	3,348.85	-	-
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	57,076.25	-	-	16,393.00	-	40,683.25
Hazard Mitigation Grant Program - Police - Local Share	726.50	-	-	452.50	-	274.00
Hazard Mitigation Grant Program - Police - Federal Share	83,262.25	-	-	11,814.10	-	71,448.15
Body Armor Fund - 2015	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	62.50	-	-	-	62.50	-
2015 Year End Holiday Crackdown Grant	2,900.00	-	-	2,900.00	-	-
Homeland Security Grant - FY 2015	14,000.00	-	-	-	-	14,000.00
Clean Communities Grant - 2015	11,067.30	-	-	10,476.04	0.10	591.16
Municipal Alliance - 2015 Fiscal State Year	23,635.23	-	-	22,089.83	-	2,150.75
Municipal Alliance - 2015 Local Match	4,809.95	-	-	4,247.45	-	562.50
Clean Communities Program	-	149,316.10	-	79,945.15	-	69,370.95
Municipal Alliance on Alcohol and Drug Abuse	-	31,388.00	-	17,274.52	-	14,113.48
Municipal Alliance on Alcohol and Drug Abuse-Local Match	-	7,847.00	-	1,723.50	-	6,123.50
DDEF FY2015 Grant	-	19,361.48	-	-	-	19,361.48
Bonus Grant Abandoned Tire Recycling Grant	-	11,000.00	-	8,315.00	-	2,685.00
Bonus Grant Abandoned Tire Recycling Grant-Local Match	-	11,000.00	-	-	-	11,000.00
Body Armor Fund	-	6,056.81	-	-	-	6,056.81
Federal Emergency Management Agency Assistance Grant	-	5,000.00	-	-	-	5,000.00
FY16 Child Restraint Grant Program	-	3,000.00	-	3,000.00	-	-
NJOEM Grant	-	22,188.33	-	21,884.22	-	304.11
Zoning Code Enforcement Grant Program	-	99,679.63	-	1,256.62	-	98,423.01
FY 15 EMPG EMMA Grant	-	7,000.00	-	-	-	7,000.00
FY 15 EMPG EMMA Grant-Local Match	-	7,000.00	-	-	-	7,000.00



**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Grant</u>	<u>Balance Dec. 31, 2015</u>	<u>Transfer from 2016 Budget Appropriation</u>	<u>Reserve for Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2016</u>
Drive Sober or Get Pulled Over Grant-Holiday	\$ -	\$ 5,000.00	\$ -	\$ 1,250.00	\$ -	\$ 3,750.00
Drive Sober or Get Pulled Over Grant-Labor Day	-	5,000.00	-	5,000.00	-	-
Cops in Crosswalks Grant	-	19,200.00	-	9,800.00	-	9,400.00
Body Worn Camera Assistance Program	-	36,999.58	-	-	-	36,999.58
Hazard Mitigation Grant	-	50,535.00	-	155.00	-	50,380.00
2016 Body Armor	-	5,793.11	-	-	-	5,793.11
2016 Bulletproof Vest Partnership	-	4,715.00	-	-	-	4,715.00
966 Grant	-	32,997.09	-	-	-	32,997.09
FY16 Homeland Security Grant	-	26,000.00	-	-	-	26,000.00
	<u>\$ 860,535.31</u>	<u>\$ 566,077.13</u>	<u>\$ 129,062.91</u>	<u>\$ 543,359.87</u>	<u>\$ 104,464.88</u>	<u>\$ 907,850.60</u>
Interfund-Current Fund				\$ 443,297.60		
Reserve for Encumbrances				<u>100,062.27</u>		
				<u>\$ 543,359.87</u>		
Adopted Budget	\$ 374,791.65					
Added by 40A:4-87	<u>191,285.48</u>					
	<u>\$ 566,077.13</u>					

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
CURRENT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES  
GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit A-19**

<u>Grant</u>	<u>Balance Dec. 31, 2015</u>	<u>Appropriated in 2016</u>	<u>Balance Dec. 31, 2016</u>
Body Armor	\$ <u>6,056.81</u>	\$ <u>6,056.81</u>	\$ <u>-</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, 2016**

**Exhibit B-1**

	<b>Animal Control</b>		<b>Other Trust Fund</b>
	<b>Trust Fund</b>		
Balance December 31, 2015	\$	72,672.25	\$ 7,887,262.88
Increased by Receipts:			
Animal Control License Fees	\$	32,953.50	\$ -
Miscellaneous Reserves		-	6,581,436.43
Reserve For Open Space		-	514,055.38
Due to State of New Jersey		5,032.20	84,339.00
Interfunds-			
Current Fund		30,000.00	45,216.88
Payroll Fund		-	367,090.80
		<u>67,985.70</u>	<u>7,592,138.49</u>
		140,657.95	15,479,401.37
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	105,002.98		-
Miscellaneous Reserves	-		7,074,663.48
Reserve for Open Space	-		501,815.32
Due to State of New Jersey	5,129.40		70,316.00
Interfunds-			
Current Fund	30,510.56		39,600.29
Payroll Fund	-		45,550.00
		<u>140,642.94</u>	<u>7,731,945.09</u>
Balance December 31, 2016	\$	<u>15.01</u>	\$ <u>7,747,456.28</u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL  
TRUST FUND EXPENDITURES  
FOR YEAR ENDED DECEMBER 31, 2016**

**Exhibit B-2**

Balance December 31, 2015	\$ 72,064.49
Increased by:	
Animal Control License Fees Collected	<u>32,953.50</u>
	105,017.99
Decreased by:	
Expenditures Under R.S. 4:19-15.11	<u>\$ 105,002.98</u>
	<u>105,002.98</u>
Balance December 31, 2016	<u><u>\$ 15.01</u></u>

**License and Penalty Fees Collected**

<u>Year</u>	<u>Amount</u>
2015	\$ <u>50,719.72</u>
2014	<u>35,862.09</u>
	<u><u>\$ 86,581.81</u></u>

**ANIMAL CONTROL TRUST FUND  
SCHEDULE OF DUE STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit B-3**

Balance December 31, 2015	\$ 97.20
Increased by:	
2016 Animal License Fees	<u>5,032.20</u>
	5,129.40
Decreased by:	
Fees Paid to State	<u>5,129.40</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
OTHER TRUST FUND  
SCHEDULE OF INTERFUND - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit B-4**

Balance December 31, 2015 - Due To		\$	27,756.01
Increased by:			
Receipts	\$	<u>45,216.88</u>	
			<u>45,216.88</u>
			72,972.89
Decreased by:			
Reserve for Open Space			
Disbursements		<u>39,600.29</u>	
			<u>39,600.29</u>
Balance December 31, 2016 - Due To		\$	<u><u>33,372.60</u></u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**OTHER TRUST FUND**  
**SCHEDULE OF MISCELLANEOUS RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit B-5**

Balance December 31, 2015	\$ 7,020,177.84
Increased by:	
Receipts	\$ 6,581,436.43
Due From Regional School District	18,352.50
Due From Local School District	<u>15,145.00</u>
	6,614,933.93
	<u>13,635,111.77</u>
Decreased by:	
Disbursements	<u>7,074,663.48</u>
Balance December 31, 2016	<u><u>\$ 6,560,448.29</u></u>

**Analysis of Balance**

Reserve for:	
Law Enforcement	\$ 54,976.20
Allied Risk Management (PMA)	30,785.18
Sanitary Landfill	12,960.10
Unemployment Compensation	2,706.33
Construction Code	33,534.72
Tree Inspection Fees	5,947.03
Tax Map Maintenance	3,068.30
Developer Application Review	58,050.49
Recreation Fees Trust	19,478.99
Founders Day (Special Events Activities)	25,259.30
Drainage Improvements	118,831.62
Affordable Housing	514,689.64
Uniform Fire Safety Act - Penalty Monies	7,694.59
Fire Prevention Donations	1,774.07
Street Opening	41,896.75
DARE	13,921.13
Fire Donations	4,050.00
Tree Planting Donations	1,017.02
Developers Road Impact	117,684.50
Public Defender	2,844.30
Tax Sale Premium	2,435,550.00
POAA	120.89
Disposal of Forfeited Property	4,082.39
Third Party Liens	310,733.09
Developers Escrow	1,975,214.78
Outside Employment - Off Duty Police	29,271.35
Inspection Fees - Grading	8,066.39
Snow Removal	126,501.69
Planning/Zoning Board Escrow	224,188.81
Reserve for ABC	63.00
Reserve for Berkeley Estates	315,512.78
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>\$ 6,560,448.29</u></u>



**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
OTHER TRUST FUND  
SCHEDULE OF RESERVE FOR OPEN SPACE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit B-6**

Balance December 31, 2015		\$ 774,289.53
Increased by:		
2016 Tax Levy - Open Space	\$ 513,837.90	
Interest on Deposits	<u>217.48</u>	
		<u>514,055.38</u>
		1,288,344.91
Decreased by:		
Disbursements	<u>501,815.32</u>	
		<u>501,815.32</u>
Balance December 31, 2016		<u><u>\$ 786,529.59</u></u>

**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE  
AWARDS PROGRAM (LOSAP) - UNAUDITED  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit B-7**

Balance December 31, 2015		\$ 1,758,017.29
Increased by:		
Gains	\$ 84,062.95	
Contributions	188,862.00	
Interest Earned	<u>11,488.29</u>	
		<u>284,413.24</u>
		2,042,430.53
Decreased by:		
Distributions	186,381.14	
Charges/Adjustments	<u>3,103.49</u>	
Distributions		<u>189,484.63</u>
Balance December 31, 2016		<u><u>\$ 1,852,945.90</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, 2016**

**Exhibit C-1**

Balance December 31, 2015		\$ 5,795,838.07
Increased by:		
Budget Appropriation:		
Capital Improvement Fund	\$ 400,000.00	
Grants Receivable	158,853.99	
Bond Anticipation Notes	7,429,950.00	
Reserve for Payment of Debt	<u>331,495.57</u>	
		<u>8,320,299.56</u>
		14,116,137.63
Decreased by:		
Improvement Authorizations	8,982,089.22	
Utilized as Current Fund Antcipated Revenue:		
Reserve for Payment of Debt	64,249.29	
Interfund - Current Fund	<u>928.00</u>	
		<u>9,047,266.51</u>
Balance December 31, 2016		<u><u>\$ 5,068,871.12</u></u>



**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE**  
**TAXATION - FUNDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit C-3**

Balance December 31, 2015		\$ 23,292,981.90
Increased by:		
Serial Bonds Issued		<u>11,409,000.00</u>
		34,701,981.90
Decreased by:		
Budgeted Principal Reductions:		
Serial Bonds	\$ 2,745,000.00	
NJEIT Loans	180,397.62	
Green Trust Loans	<u>83,356.58</u>	
		<u>3,008,754.20</u>
Balance December 31, 2016		\$ <u><u>31,693,227.70</u></u>

**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Balance Dec. 31, 2015</b>	<b>2016 Authorizations</b>	<b>2016 Budget</b>	<b>Transfers- Deferred Charges Funded</b>	<b>Balance Dec. 31, 2016</b>	<b>Analysis of Balance</b>	
							<b>Notes Payable</b>	<b>Expended Balance</b>
08-10	Various Capital Improvements	\$ 34,211.00	\$ -	\$ -	-	\$ 34,211.00	\$ -	\$ -
10-31	Various Capital Improvements	50,000.00	-	-	-	50,000.00	-	-
12-14	Various Capital Improvements	1,415,020.00	-	404.00	1,132,500.00	282,116.00	-	229,989.20
13-26	Various Capital Improvements	5,758,693.00	-	166.00	4,376,500.00	1,382,027.00	-	3,405.39
14-03	Various Capital Improvements	6,100,358.50	-	358.00	5,900,000.00	200,000.50	-	102,706.22
15-01	Various Capital Improvements	6,240,977.50	-	-	-	6,240,977.50	6,240,977.00	0.50
16-01	Various Capital Improvements	-	7,429,950.00	-	-	7,429,950.00	7,429,950.00	-
		<u>\$ 19,599,260.00</u>	<u>\$ 7,429,950.00</u>	<u>\$ 928.00</u>	<u>\$ 11,409,000.00</u>	<u>\$ 15,619,282.00</u>	<u>\$ 13,670,927.00</u>	<u>\$ 336,101.31</u>

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes

\$ 3,833,180.72

**Ordinance**

<b>Number</b>	<b>Improvement Description</b>	
15-01	Various Capital Improvements	\$ 1,452,174.29
16-01	Various Capital Improvements	<u>2,044,905.12</u>
		<u>3,497,079.41</u>
		\$ <u>336,101.31</u>



**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit C-5**

Balance December 31, 2015	\$ 21,283.97
Increased by:	
Budget Appropriation	<u>400,000.00</u>
	421,283.97
Decreased by:	
Appropriations to Finance Improvement	
Authorizations	<u>391,050.00</u>
Balance December 31, 2016	\$ <u><u>30,233.97</u></u>
.	

**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Exhibit C-6**

<b>Ordinance Number</b>	<b>Description</b>	<b>Balance Dec. 31, 2015</b>	<b>Received</b>	<b>Cancelled</b>	<b>Balance Dec. 31, 2016</b>
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	US Department of Homeland Security - FEMA	41,418.00	-	-	41,418.00
13-26	NJ DOT-Roberts and Sands	250,000.00	158,853.99	91,146.01	-
		<u>\$ 533,500.42</u>	<u>\$ 158,853.99</u>	<u>\$ 216,978.43</u>	<u>\$ 157,668.00</u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Exhibit C-7

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2015		2016 Authorizations	Reserve for Encumbrances	Paid or Charged	Cancelled	Balance Dec. 31, 2016	
				Funded	Unfunded					Funded	Unfunded
01-03	Various Capital Improvements	03/13/01	\$ 1,744,800.00	\$ 3,627.45	\$ -	\$ -	\$ -	\$ 3,627.45	\$ -	\$ -	\$ -
06-31	Various Capital Improvements	05/23/06	5,849,102.00	186,082.78	-	-	-	550.00	86,625.00	98,907.78	-
07-13	Various Capital Improvements	04/10/07	5,500,773.00	-	-	-	-	-	-	-	-
08-10	Various Capital Improvements	04/09/08	5,162,510.00	-	4,091.46	-	-	(35,115.96)	39,207.42	-	-
09-11, 09-26	Various Capital Improvements	04/28/09	6,209,795.00	50,581.45	-	-	19,818.00	70,109.35	-	290.10	-
10-31	Various Capital Improvements	10/12/10	2,650,000.00	-	36,413.11	-	2,936.60	39,349.71	-	-	-
11-18	Various Capital Improvements	07/12/11	2,941,418.00	45,936.80	-	-	24,189.10	61,939.41	-	8,186.49	-
12-14	Various Capital Improvements	07/20/12	5,081,600.00	-	260,631.55	-	396,544.03	427,186.38	-	-	229,989.20
13-26	Various Capital Improvements	06/24/13	6,311,783.00	-	1,155,233.80	-	294,691.93	1,355,374.33	91,146.01	-	3,405.39
14-03	Various Capital Improvements	02/24/14	6,421,430.00	-	374,882.89	-	309,122.33	581,299.00	-	-	102,706.22
15-01	Various Capital Improvements	01/26/15	6,569,450.00	-	1,702,344.82	-	3,324,314.98	3,574,485.01	-	-	1,452,174.79
16-01	Various Capital Improvements	01/25/16	7,821,000.00	-	-	7,821,000.00	-	5,776,094.88	-	-	2,044,905.12
				<u>\$ 286,228.48</u>	<u>\$ 3,533,597.63</u>	<u>\$ 7,821,000.00</u>	<u>\$ 4,371,616.97</u>	<u>\$ 11,854,899.56</u>	<u>\$ 216,978.43</u>	<u>\$ 107,384.37</u>	<u>\$ 3,833,180.72</u>
	Deferred Charges - Unfunded Capital Improvement Fund			\$	\$ 7,429,950.00						
					<u>391,050.00</u>						
				\$	<u>\$ 7,821,000.00</u>						
	Disbursements										
	Reserve for Encumbrances							\$ 8,982,089.22			
								<u>2,872,810.34</u>			
								<u>\$ 11,854,899.56</u>			

**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN**  
**GENERAL CAPITAL FUND**

Exhibit C-8

**SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Purpose</u>	<u>Year Issued</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decreases</u>	<u>Balance Dec. 31, 2016</u>
NJ Fund Loan	2007	\$ 975,000.00	-	\$ 601,425.91	\$ 48,274.13	\$ 553,151.78
NJ Trust Loan	2007	345,000.00	3.40% to 5.00%	250,000.00	15,000.00	235,000.00
NJ Fund Loan	2008	390,046.00	-	177,628.80	33,698.08	143,930.72
NJ Trust Loan	2008	390,046.00	5.00% to 5.50%	215,046.00	35,000.00	180,046.00
NJ Trust Loan	2010	250,000.00	3.845% to 4.260%	165,444.00	10,000.00	155,444.00
NJ Fund Loan	2010	755,700.00	-	428,587.01	38,425.41	390,161.60
				<u>\$ 1,838,131.72</u>	<u>\$ 180,397.62</u>	<u>\$ 1,657,734.10</u>

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Exhibit C-9

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2015	Issued for Cash	Paid by Budget Appropriation	Balance Dec. 31, 2016
			Outstanding Dec. 31, 2016 Date	Amount					
General Obligation Bonds	07/01/06	9,384,000.00	N/A	N/A	N/A	\$ 720,000.00	\$ -	\$ 720,000.00	\$ -
General Obligation Bonds	01/07/10	12,745,000.00	1/15/2017-18	\$ 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%				
General Obligation Bonds	10/11/2012	9,950,000.00	1/15/2024	995,000.00	4.000%	8,595,000.00	-	950,000.00	7,645,000.00
			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%				
General Obligation Refunding Bonds	05/28/15	3,085,000.00	10/15/2023	1,050,000.00	3.000%	8,375,000.00	-	1,025,000.00	7,350,000.00
			7/01/2017	775,000.00	2.000%				
			7/01/2018	755,000.00	2.000%				
			7/01/2019	740,000.00	2.000%				
General Obligation Bonds	5/24/2016	11,409,000.00	7/01/2020	720,000.00	2.000%	3,040,000.00	-	50,000.00	2,990,000.00
			5/15/2017-20	575,000.00	2.000%				
			5/15/2021	1,095,000.00	3.000%				
			5/15/2022	1,120,000.00	3.000%				
			5/15/2023	1,145,000.00	3.000%				
			5/15/2024-27	1,150,000.00	2.000%				
			5/15/2028	1,149,000.00	2.000%				
						-	11,409,000.00	-	11,409,000.00
						\$ 20,730,000.00	\$ 11,409,000.00	\$ 2,745,000.00	\$ 29,394,000.00

**TOWNSHIP OF BERKELEY - COUNTY OF OCEAN  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOANS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Purpose</u>	<u>Year</u>	<u>Original Issue</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
			<u>Outstanding Date</u>	<u>Dec. 31, 2016 Amount</u>				
Recreation Acquisition	2001	\$ 185,825.17	5/01/2017 to 11/01/2017 Level Debt Payments	\$ 7,001.07	2.00%	\$ 27,318.05	\$ 13,523.12	\$ 13,794.93
Veterans' Park Driving Range	2001	409,630.28	4/26/2017 to 4/26/2021 Level Debt Payments	16,845.81	2.00%	174,651.13	30,349.60	144,301.53
Toms River Park	2008	500,000.00	3/21/2017 to 3/21/2027 Level Debt Payments	15,880.75	2.00%	324,853.73	25,390.74	299,462.99
Toms River Park Phase II	2008	289,202.77	2/19/2017 to 2/19/2028 Level Debt Payments	8,991.78	2.00%	198,027.27	14,093.12	183,934.15
						\$ 724,850.18	\$ 83,356.58	\$ 641,493.60

**TOWNSHIP OF BERKELEY- COUNTY OF OCEAN  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Date of</b>		<b>Interest Rate</b>	<b>Balance Dec. 31, 2015</b>	<b>Issued for Cash</b>	<b>Decreases</b>	<b>Balance Dec. 31, 2016</b>
		<b>Original Issue</b>	<b>Maturity</b>					
12-14	Various Capital Improvements	5/25/2015	N/A	1.50%	\$ 1,132,904.00	-	1,132,904.00	\$ -
13-26	Various Capital Improvements	5/25/2015	N/A	1.50%	4,376,666.00	-	4,376,666.00	-
14-03	Various Capital Improvements	5/25/2015	N/A	1.50%	5,900,358.00	-	5,900,358.00	-
15-01	Various Capital Improvements	5/24/2016	5/23/2017	2.00%	6,240,977.00	-	-	6,240,977.00
16-01	Various Capital Improvements	5/24/2016	5/23/2017	2.00%	-	7,429,950.00	-	7,429,950.00
					<u>\$ 17,650,905.00</u>	<u>\$ 7,429,950.00</u>	<u>\$ 11,409,928.00</u>	<u>\$ 13,670,927.00</u>
Deferred Charges Unfunded-Serial Bonds Issued								
2016 Budget Appropriations						\$	11,409,000.00	
							928.00	
						\$	<u>11,409,928.00</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, 2016**

**Exhibit C-12**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2016</u></b>
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	<u>0.50</u>
		<u><u>\$ 1,948,355.00</u></u>



**TOWNSHIP OF BERKELEY  
COUNTY OF OCEAN**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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To the Honorable Mayor and  
Members of the Township Committee  
Township of Berkeley  
County of Ocean  
Berkeley, Township of, New Jersey

We have audited the financial statements of the Township of Berkeley in the County of Ocean for the year ended December 31, 2016, in accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

## GENERAL COMMENTS

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

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$40,000 for the period of January 1, 2016 to December 31, 2016, except by contract or agreement.

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

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*.

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 \$6,000 for the period of January 1, 2016 to December 31, 2016, obtained solicitation of quotes. No exceptions were noted.

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

The statute provides the method for authorizing interest and the maximum rate 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, 2016 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**“NOW, THEREFORE BE IT RESOLVED** by the Mayor and Township Committee of the Township of Berkeley, County of Ocean, State of New Jersey, as follows:

1. That the Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of any amount 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, subject to any abatement or discount for the late payment of taxes as provided by law; and, if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup> of the tax year, an additional penalty of 6% shall be charged against the delinquency.

2. There will be a (10) ten-day grace period for payment of quarterly tax payments made by cash, check or money order.”

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

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

The delinquent taxes at December 31, 2016, included 2016, 2015, 2014, 2013 and 2012 real estate taxes only.

The last tax sale was held on December 7, 2016 electronically and was complete.

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

<b>YEAR</b>	<b>NUMBER OF LIENS</b>
2016	304
2015	304
2014	288

## **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.

## **Municipal Court**

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

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

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

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

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 1<sup>st</sup> of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2017 with the governing body.

## **Payroll Fund**

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees; also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies. During our audit we noted the following:

### Finding 2016-01:

Condition – The Township did not calculate employee contributions for health benefits for the year ended December 31, 2016.

Effect – Employees did not have the proper amount withheld from their compensation.

Cause – The Township did not recalculate withholding amounts at the beginning of the year.

Criteria – P.L. 2011 c. 78 requires that local units must contribute to their employee benefits according to statutory calculations and those calculations must be updated annually based on the cost of the chosen plan.

Recommendation – The Township should implement controls to ensure that employee withholding rates are properly recalculated annually.

Management's Response – The Township will correct this matter in the year ended December 31, 2017.

## Follow-Up of Prior Year Findings

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

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2016:

NAME	TITLE	AMOUNT OF BOND
Carmen F. Amato, Jr.	Mayor	1,000,000*
Sophia Gingrich	Council President	1,000,000*
L. Thomas Grosse Jr.	Council Vice President	1,000,000*
John Bacchione	Councilman	1,000,000*
James J. Byrnes	Councilman	1,000,000*
Angelo Guadagno	Councilman	1,000,000*
Judy Noonan	Councilwomen	1,000,000*
John Camera	Township Administrator	1,000,000*
Frederick Ebenau	Chief Financial Officer	1,000,000*
Beverly M. Clark	Township Clerk	1,000,000*
Maureen Cosgrove	Tax Collector	1,000,000*
James J. Gluck	Municipal Court Judge	1,000,000*
Jessica L. Jenkins	Municipal Court Administrator	1,000,000*

\* All employees are covered by a Blanket Bond of \$1,000,000 of which \$950,000 is provided as part of the Ocean County Joint Insurance Fund and \$50,000 through the Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and were properly executed.

## **Acknowledgment**

We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, PC**

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

June 9, 2017  
Toms River, New Jersey