

**TOWNSHIP OF FREEHOLD  
COUNTY OF MONMOUTH**

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

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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

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**TOWNSHIP OF FREEHOLD**

**COUNTY OF MONMOUTH**

**PART I**

**AUDITOR'S REPORT OF THE TOWNSHIP'S FINANCIAL STATEMENTS**

**FINANCIAL STATEMENTS**

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**YEAR ENDED DECEMBER 31, 2014**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Freehold  
County of Monmouth  
Freehold, New Jersey

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

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

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

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

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

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

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Freehold, County of Monmouth, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Other Matters**

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB’s Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not required parts 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 12, 2015, on our consideration of the Township of Freehold’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 Freehold’s internal control over financial reporting and compliance.

Respectfully submitted,

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

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

June 12, 2015  
Freehold, New Jersey

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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,**

**Sheet 1 of 2**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2014 AND 2013**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Regular Funds</u></b>			
Cash and Cash Equivalents - Treasurer	A-4	\$ 15,621,176.94	\$ 14,017,944.08
Investments		15,724,923.00	15,025,934.00
Change Funds		1,350.00	1,350.00
		<u>31,347,449.94</u>	<u>29,045,228.08</u>
Receivables with Full Reserves:			
Due from Monmouth County	A-4		660.26
Police Special Duty Receivable	A-4	54,678.30	46,949.74
Delinquent Property Taxes Receivable	A-5	1,259,024.40	1,171,135.18
Tax Title Liens Receivable	A-6	301,020.41	293,357.67
Property Acquired for Taxes at Assessed Value		584,150.00	584,150.00
Miscellaneous Receivables		4,680.00	1,400.00
Revenue Accounts Receivable	A-7	105,548.46	117,399.96
Interfunds:			
Animal Control Trust Fund	A-12	14,945.80	6,739.29
Other Trust Fund	A-12	71,676.37	
General Capital Fund	A-12	35,700.00	1,837.94
		<u>2,431,423.74</u>	<u>2,223,630.04</u>
Deferred Charges:			
Emergency Authorizations (40A:4-47)			
Special Emergency Authorizations (40A:4-55)	A-3	175,000.00	280,000.00
		<u>33,953,873.68</u>	<u>31,548,858.12</u>
<b><u>Grant Fund</u></b>			
Interfund - Current Fund	A-13	320,622.06	232,950.49
Grants Receivable	A-14	247,267.90	182,717.82
		<u>567,889.96</u>	<u>415,668.31</u>
		<u>\$ 34,521,763.64</u>	<u>\$ 31,964,526.43</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Regular Funds</u></b>			
Liabilities:			
Appropriation Reserves	A-3,8	\$ 3,292,024.76	\$ 2,377,977.28
Reserve for Encumbrances	A-3,8	235,886.29	382,607.22
Special Emergency Note Payable	A-4		280,000.00
Due to State of New Jersey for Fees Collected	A-4	20,106.00	41,219.00
Due to Freehold Shopping Center	A-4	4,109.00	3,472.00
Due to Freehold Borough	A-4		44,978.00

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,**

**Sheet 2 of 2**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2014 AND 2013**

<b><u>Liabilities, Reserves and Fund Balance (Continued)</u></b>	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Regular Funds (Continued)</u></b>			
Liabilities (Continued):			
Tax Overpayments		\$ 206,411.46	\$ 234,408.41
Accounts Payable		678,881.46	690,000.00
Prepaid Health Benefits	A-3,4	6,036.92	6,574.77
Prepaid Fees and Permits	A-4,7	31,322.02	680.00
Prepaid Taxes		556,403.60	542,952.26
Due from State of New Jersey (Chapter 20, P.L. 1971)		6,792.97	1,276.53
Due County for Added and Omitted Taxes	A-9	68,963.51	27,742.19
Local District School Tax Payable	A-10	4,625,395.48	3,728,282.00
Regional High School Tax Payable	A-11	12,760,345.00	12,551,115.29
Reserve for:			
Sale of Liquor License	A-1	1,011,111.00	1,011,111.00
Taxes Collected on Appeal	A-3,4	344,319.89	350,794.30
Reassessment	A-4		35,000.00
Historical Preservation	A-4	1,149.00	1,149.00
Interfunds:			
Other Trust Fund	A-12		7,865.91
Grant Fund	A-13	320,622.06	232,950.49
		<u>24,169,880.42</u>	<u>22,552,155.65</u>
Reserve for Receivables and Other Assets		2,431,423.74	2,223,630.04
Fund Balance	A-1	7,352,569.52	6,773,072.43
		<u>33,953,873.68</u>	<u>31,548,858.12</u>
<b><u>Grant Fund</u></b>			
Reserve for Encumbrances	A-15	140,659.72	82,476.95
Appropriated Reserves	A-15	324,907.42	244,390.09
Unappropriated Reserves	A-16	102,322.82	88,801.27
		<u>567,889.96</u>	<u>415,668.31</u>
		<u>\$ 34,521,763.64</u>	<u>\$ 31,964,526.43</u>

There were deferred school taxes on December 31, 2014 and 2013 of \$25,566,589 (Schedule A-10).

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-1**

**COMPARATIVE STATEMENT OF OPERATIONS AND**

**Sheet 1 of 2**

**CHANGES IN FUND BALANCE - REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<b><u>Ref.</u></b>	<b><u>Year 2014</u></b>	<b><u>Year 2013</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 5,335,407.00	\$ 4,431,915.00
Miscellaneous Revenue Anticipated	A-2	14,564,914.60	14,693,502.09
Receipts from Delinquent Taxes	A-2	1,152,349.28	1,505,624.98
Receipts from Current Taxes	A-2	130,281,757.18	126,792,530.70
Non-Budget Revenues	A-2	1,112,588.54	880,391.77
Other Credits to Income:			
Cancelled Old Outstanding Checks			630.00
Unexpended Balance of Appropriation Reserves	A-8	2,077,776.79	2,076,133.90
Statutory Excess in Dog License Trust	A-12	14,945.80	6,739.29
Adjustment to Escrow Interest			26,821.85
Cancel Appropriated Grant Reserve	A-13	33,618.77	14,953.26
Cancel Portion of Sale of Municipal Assets			500,000.00
Tax Overpayments Cancelled		6,474.41	
Reserve for Receivables:			
Police Special Duty Receivable		128,920.37	11,825.52
Due from Monmouth County		660.26	
Accounts Payable Cancelled			35,846.56
Total Income		<u>154,709,413.00</u>	<u>150,976,914.92</u>
<b><u>Expenditures</u></b>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		15,101,677.04	14,372,195.71
Other Expenses		12,540,827.18	12,204,963.16
Capital Improvements		150,000.00	400,000.00
Deferred Charges and Statutory Expenditures		3,506,675.00	3,556,598.00
Municipal Debt Service		4,915,729.73	5,214,400.31
Transferred to Board of Education		946,680.00	947,453.00
Budget Totals	A-3	<u>37,161,588.95</u>	<u>36,695,610.18</u>
Refund of Prior Year Revenue	A-4	354.00	67.00
Municipal Open Space Tax	A-4,5	1,644,772.62	1,646,040.00
Special District Taxes - Fire	A-4,5	2,267,794.00	1,992,000.00
County Taxes	A-9	18,079,457.88	17,936,608.10
Due County for Added and Omitted Taxes	A-9	68,963.51	27,742.19
Local District School Taxes	A-10	63,136,292.00	61,287,242.00
Regional School District Taxes	A-11	26,303,068.00	25,868,894.29
Cancel Grant Receivable	A-13	12,973.01	2,038.62
Interfund Advances		113,744.94	5,910.18
Reserve for Receivables:			
Due from Monmouth County			660.26
Prior Year Deductions Disallowed		5,500.00	7,250.00
Total Expenditures		<u>148,794,508.91</u>	<u>145,470,062.82</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-1**

**COMPARATIVE STATEMENT OF OPERATIONS AND**

**Sheet 2 of 2**

**CHANGES IN FUND BALANCE - REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<b><u>Ref.</u></b>	<b><u>Year 2014</u></b>	<b><u>Year 2013</u></b>
Excess in Revenue		\$ <u>5,914,904.09</u>	\$ <u>5,506,852.10</u>
Fund Balance January 1	A	<u>6,773,072.43</u>	<u>5,698,135.33</u>
		<u>12,687,976.52</u>	<u>11,204,987.43</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>5,335,407.00</u>	<u>4,431,915.00</u>
Fund Balance December 31	A	\$ <u><u>7,352,569.52</u></u>	\$ <u><u>6,773,072.43</u></u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 1 of 3

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

	<b>Ref.</b>	<b>Budget</b>	<b>Anticipated</b>	<b>Realized</b>	<b>Excess or (Deficit)</b>
	<b>A-1</b>	<b>\$ 5,335,407.00</b>	<b>Special N.J.S. 40A:4-87</b>	<b>\$ 5,335,407.00</b>	<b>\$</b>
Fund Balance Anticipated					
<b><u>Miscellaneous Revenues</u></b>					
Licenses:					
Alcoholic Beverages	A-7	40,000.00		45,688.00	5,688.00
Other	A-7	65,000.00		50,888.00	(14,112.00)
Fees and Permits:					
Construction Code Official	A-7	785,000.00		1,221,438.00	436,438.00
Other	A-7	200,000.00		236,786.38	36,786.38
Fines and Costs:					
Municipal Court	A-7	700,000.00		1,153,672.71	453,672.71
Interest and Costs on Taxes	A-4	125,000.00		270,724.48	145,724.48
Interest on Investments and Deposits	A-7	150,000.00		299,236.64	149,236.64
Cable Television Franchise Fees	A-7	344,433.00		344,433.00	
Verizon Franchise Fees	A-7	149,825.00		149,825.12	.12
State Aid:					
Energy Receipts Tax	A-7	7,418,109.00		7,418,109.00	
Garden State Trust Pilot	A-7	18,206.00		18,206.00	
Special Items:					
State Grants:					
Alliance to Prevent Alcoholism and Drug Abuse	A-13	20,505.00		61,515.00	
Body Armor Fund	A-13	7,578.24		7,578.24	
Clean Communities Program	A-13			66,517.78	
Drunk Driving Enforcement Fund	A-13			7,377.04	
Recycling Tonnage Grant	A-13	74,859.28		74,859.28	
Safe and Secure Communities Program	A-13			60,000.00	
Safe Corridors	A-13			129,683.00	
Federal Grants:					
Bulletproof Vests	A-13	6,363.75		6,363.75	
Click It or Ticket	A-13			4,000.00	
Drive Sober or Get Pulled Over	A-13			12,500.00	
Uniform Fire Safety Act	A-7	91,200.00		83,097.99	(8,102.01)

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 2 of 3

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

	<u>Ref.</u>	<u>Budget</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
			<u>Special N.J.S. 40A:4-87</u>		
Other Special Items:					
Shared Services Agreements:					
Automotive Services	A-7	\$ 20,000.00	\$ 20,000.00	\$ 36,273.68	\$ (3,726.32)
Board of Health	A-7	141,471.00		147,621.85	6,150.85
Board of Health - Lead Inspector	A-7	3,100.00		5,012.96	1,912.96
Bureau of Fire Prevention	A-7	3,500.00		4,880.00	1,380.00
Diesel Fuel	A-7	300,000.00		313,842.94	13,842.94
Information Technology - Freehold Borough	A-7	17,000.00		18,250.00	1,250.00
Information Technology - Manalapan	A-7	85,000.00		97,392.00	12,392.00
Operational Services - Keyport	A-7	23,000.00		26,040.00	3,040.00
Operational Services - Freehold Regional	A-7		8,000.00	7,166.68	(833.32)
Police Services	A-7	9,000.00		9,330.30	330.30
Fund Balance - General Capital Fund	A-7	174,489.00		174,489.00	
Hotel/Motel Tax	A-7	50,000.00		146,344.17	96,344.17
Open Space - Debt Service	A-7	1,494,000.00		1,494,000.00	
Open Space - Park Maintenance	A-7	150,000.00		150,000.00	
Payments in Lieu of Taxes	A-7	75,000.00		96,393.11	21,393.11
Reserve for Detention Basin	A-7	100,000.00		100,000.00	
Reserve for Municipal Alliance	A-7	5,126.00	10,252.50	15,378.50	
Total Miscellaneous Revenues	A-1	<u>12,846,765.27</u>	<u>359,340.32</u>	<u>14,564,914.60</u>	<u>1,358,809.01</u>
Receipts from Delinquent Taxes	A-1,2	1,180,000.00		1,152,349.28	(27,650.72)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2	19,617,449.96		20,468,119.48	850,669.52
Budget Totals		38,979,622.23	359,340.32	41,520,790.36	2,181,827.81
Non-Budget Revenues	A-1,2			1,112,588.54	1,112,588.54
	Ref.	<u>\$ 38,979,622.23</u>	<u>\$ 359,340.32</u>	<u>\$ 42,633,378.90</u>	<u>\$ 3,294,416.35</u>
		A-3	A-3		

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-2**

**STATEMENT OF REVENUES - REGULATORY BASIS**

**Sheet 3 of 3**

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

	<b><u>Ref.</u></b>	
<b><u>Analysis of Realized Revenues</u></b>		
<b><u>Allocation of Current Tax Collection</u></b>		
Revenue from Collections	A-1,5	\$ 130,281,757.18
Allocated to School, County and Special District Taxes	A-5	111,500,348.01
Balance for Support of Municipal Budget Appropriations		<u>18,781,409.17</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,686,710.31</u>
Amount for Support of Municipal Appropriations	A-2	<u><u>\$ 20,468,119.48</u></u>
<b><u>Delinquent Taxes</u></b>		
Taxes Receivable	A-2,5	<u><u>\$ 1,152,349.28</u></u>
<b><u>Analysis of Non-Budget Revenue</u></b>		
Administrative Fees Senior Citizens and Veterans		\$ 5,036.07
Board of Adjustment Fees		30,842.77
Cell Tower Lease		60,668.19
Finance Department		36,153.24
Fire Bureau		93,549.00
Housing Fees		266,394.58
Impound Yard Fees		22,635.00
Litigation Settlement		150,000.00
Meeting Room Rental		400.00
Miscellaneous		143,022.47
Motor Vehicle Commission Inspection Fees		8,203.50
Planning Board Fees		152,343.88
Police Department		14,579.62
Recycling Fees		70,180.47
Retiree Drug Subsidy Program		50,829.77
Sign Making/Repair Services		3,642.98
Tax Collector Fees		2,167.00
Tax Map Revisions		<u>1,940.00</u>
	A-2,4	<u><u>\$ 1,112,588.54</u></u>
<b><u>Source of Miscellaneous Revenue not Anticipated</u></b>		
Receipts	A-4	\$ 1,109,748.54
Prepaid Revenue	A	680.00
Miscellaneous Receivables Collected	A	<u>2,160.00</u>
	A-2	<u><u>\$ 1,112,588.54</u></u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 1 of 9

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

	<u>Appropriated</u>			<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Paid or Charged</u>	<u>Reserved</u>	
<b><u>OPERATIONS WITHIN CAPS</u></b>						
<b><u>General Government</u></b>						
Administrative and Executive						
Salaries and Wages	\$ 227,000.00	\$ 227,000.00	\$ 223,855.49	\$ 3,144.51	\$	
Other Expenses	7,500.00	7,500.00	6,074.88	1,425.12		
Public Information Office						
Salaries and Wages	32,000.00	32,000.00	31,052.21	947.79		
Other Expenses	8,000.00	8,000.00	1,275.95	6,724.05		
Purchasing Department						
Salaries and Wages	41,000.00	41,000.00	40,720.78	279.22		
Other Expenses	31,000.00	31,000.00	28,608.37	2,391.63		
Human Resources						
Salaries and Wages	51,000.00	51,000.00	50,072.90	927.10		
Other Expenses	10,550.00	15,050.00	10,011.50	5,038.50		
Mayor and Township Committee						
Salaries and Wages	48,000.00	48,000.00	47,703.85	296.15		
Other Expenses	25,550.00	25,550.00	13,426.50	12,123.50		
Municipal Clerk						
Salaries and Wages	175,000.00	175,000.00	171,967.07	3,032.93		
Other Expenses	97,200.00	97,200.00	67,317.60	29,882.40		
Elections						
Salaries and Wages	1,000.00	1,000.00	418.30	581.70		
Other Expenses	15,200.00	15,200.00	10,209.23	4,990.77		
Financial Administration						
Salaries and Wages	140,000.00	140,000.00	138,755.79	1,244.21		
Other Expenses	86,700.00	86,700.00	73,686.08	13,013.92		
Audit	31,000.00	31,000.00	30,724.00	276.00		
Information Technology						
Salaries and Wages	170,000.00	175,000.00	171,338.71	3,661.29		
Other Expenses	107,000.00	99,300.00	84,636.73	14,663.27		

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 2 of 9

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

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Revenue Administration (Collection of Taxes)					
Salaries and Wages	\$ 70,000.00	\$ 70,000.00	\$ 69,850.86	\$ 149.14	\$
Other Expenses	18,600.00	18,600.00	14,957.73	3,642.27	
Assessment of Taxes					
Salaries and Wages	134,000.00	134,000.00	132,352.75	1,647.25	
Other Expenses	195,000.00	195,000.00	144,674.66	50,325.34	
Cost of Tax Appeals	50,000.00	50,000.00		50,000.00	
Legal Services and Costs					
Other Expenses	400,000.00	400,000.00	306,211.08	93,788.92	
Affordable Housing Services and Costs					
Other Expenses	70,000.00	70,000.00	40,266.25	29,733.75	
Engineering Services and Costs					
Salaries and Wages	305,000.00	305,000.00	228,163.86	76,836.14	
Other Expenses	40,000.00	40,000.00	8,262.74	31,737.26	
Historical Preservation					
Other Expenses	2,550.00	2,550.00	155.00	2,395.00	
Municipal Land Use Law Planning Board					
Salaries and Wages	33,000.00	33,000.00	31,807.94	1,192.06	
Other Expenses	60,000.00	60,000.00	21,478.05	38,521.95	
Board of Adjustment					
Salaries and Wages	42,000.00	42,000.00	40,754.83	1,245.17	
Other Expenses	9,500.00	9,500.00	6,479.00	3,021.00	
Insurance					
Group Insurance	5,487,000.00	5,487,000.00	4,438,891.34	1,048,108.66	
Other Insurance	269,000.00	269,000.00	268,784.76	215.24	
Workmen's Compensation	460,834.00	460,834.00	391,983.90	3,716.10	65,134.00
Health Benefit Waiver	95,000.00	98,200.00	98,200.00		
Code Enforcement - Other					
Salaries and Wages	123,000.00	123,000.00	112,326.14	10,673.86	
Other Expenses	2,500.00	2,500.00	1,809.00	691.00	

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 3 of 9

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

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Paid or Charged	Reserved	
<b><u>Public Safety</u></b>						
Police						
Salaries and Wages	\$ 8,750,000.00	\$ 8,750,000.00	\$ 8,211,342.70	\$ 538,657.30	\$	
Other Expenses	185,000.00	195,000.00	182,283.03	12,716.97		
M.C.I.A. Lease	111,197.00	111,197.00	111,192.98			4.02
Office of Emergency Management						
Salaries and Wages	10,000.00	10,000.00	9,770.11	229.89		
Other Expenses	500.00	500.00		500.00		
First Aid Organization - Contribution	35,000.00	35,000.00	35,000.00			
Bureau of Fire Protection						
Salaries and Wages	27,500.00	35,400.00	35,338.20	61.80		
Other Expenses	5,500.00	5,500.00	4,524.00	976.00		
Uniform Fire Safety Act						
Salaries and Wages	109,500.00	101,600.00	98,168.47	3,431.53		
Municipal Prosecutor						
Salaries and Wages	65,000.00	65,000.00	64,081.16	918.84		
Other Expenses	1,500.00	1,500.00		1,500.00		
<b><u>Public Works</u></b>						
Road Repairs and Maintenance						
Salaries and Wages	991,000.00	1,001,500.00	999,863.98	1,636.02		
Other Expenses	425,000.00	414,500.00	354,152.73	60,347.27		
Snow Removal						
Salaries and Wages	150,000.00	150,000.00	149,709.22	290.78		
Other Expenses	275,000.00	275,000.00	274,849.46	150.54		
Shade Tree Commission						
Salaries and Wages	104,000.00	104,000.00	103,879.44	120.56		
Other Expenses	23,000.00	23,000.00	5,036.58	17,963.42		
Recycling						
Salaries and Wages	90,000.00	90,000.00	61,498.27	28,501.73		
Other Expenses	315,000.00	315,000.00	249,266.85	65,733.15		

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 4 of 9

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

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Public Buildings and Grounds					
Salaries and Wages	\$ 370,000.00	\$ 370,000.00	\$ 350,019.52	\$ 19,980.48	\$
Other Expenses	105,800.00	105,800.00	103,615.09	2,184.91	
Equipment Maintenance and Repair					
Salaries and Wages	425,000.00	425,000.00	404,958.91	20,041.09	
Other Expenses	358,000.00	358,000.00	323,561.29	34,438.71	
Condominium Services Act					
Other Expenses	120,000.00	96,700.00	49,534.90	47,165.10	
<b><u>Health and Welfare</u></b>					
Board of Health					
Salaries and Wages	323,000.00	323,000.00	305,662.16	17,337.84	
Other Expenses	90,000.00	90,000.00	76,971.27	13,028.73	
Animal Control					
Other Expenses	53,708.00	53,708.00	53,708.00		
Environmental Commission					
Other Expenses	400.00	400.00		400.00	
<b><u>Recreation and Education</u></b>					
Board of Recreation Commissioners					
Salaries and Wages	651,000.00	646,000.00	620,906.40	25,093.60	
Other Expenses	140,000.00	145,000.00	144,234.39	765.61	
Senior Center					
Salaries and Wages	96,000.00	96,000.00	92,606.18	3,393.82	
Other Expenses	17,000.00	17,000.00	14,920.30	2,079.70	
<b><u>Municipal Court</u></b>					
Municipal Court					
Salaries and Wages	386,000.00	386,000.00	378,309.33	7,690.67	
Other Expenses	17,000.00	17,000.00	11,778.57	5,221.43	
Public Defender					
Other Expenses	5,000.00	5,000.00	5,000.00		

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 5 of 9

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

	<u>Appropriated</u>		Expended	Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>		
<b><u>Uniform Construction Code</u></b>				
State Uniform Construction Code Official				
Salaries and Wages	\$ 593,000.00	\$ 593,000.00	\$ 505,415.78	\$ 87,584.22
Other Expenses	26,000.00	26,000.00	25,513.51	486.49
<b><u>Unclassified</u></b>				
Utilities:				
Electricity	325,000.00	325,000.00	208,091.93	116,908.07
Street Lighting	425,000.00	425,000.00	263,956.09	161,043.91
Telephone	105,000.00	105,000.00	72,859.31	32,140.69
Natural Gas	105,000.00	105,000.00	76,879.69	28,120.31
Water and Sewer	87,000.00	87,000.00	50,892.51	36,107.49
Fuel Oil and Gasoline	525,000.00	525,000.00	371,684.50	153,315.50
Total Operations within Caps	26,194,289.00	26,185,989.00	23,020,302.64	65,138.02
Contingent	1.00	1.00		1.00
Total Operations (Including Contingent) within Caps	26,194,290.00	26,185,990.00	23,020,302.64	65,138.02
Detail:				
Salaries and Wages	14,733,000.00	14,743,500.00	13,882,671.31	860,828.69
Other Expenses	11,461,290.00	11,442,490.00	9,137,631.33	2,239,720.65
<b><u>STATUTORY EXPENDITURES WITHIN CAPS</u></b>				
Contribution to:				
Public Employees Retirement System	650,545.00	650,545.00	582,556.76	1,673.24
Social Security System (O.A.S.I.)	1,140,000.00	1,140,000.00	1,004,709.83	135,290.17
Police and Firemen's Retirement System of NJ	1,745,999.00	1,745,999.00	1,633,113.00	112,886.00
Unemployment Compensation Insurance	5,000.00	5,000.00		5,000.00
Defined Contribution Retirement Program	2,000.00	2,100.00	2,046.35	53.65
Sick Leave Trust Account	70,000.00	70,000.00	70,000.00	
Prior Year Bills - 2012	2,232.00	2,232.00	2,232.00	
Total Statutory Expenditures within Caps	3,615,776.00	3,615,876.00	3,294,657.94	179,201.00
Total Appropriations within Caps	29,810,066.00	29,801,866.00	26,314,960.58	244,339.02

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 6 of 9

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

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget				Reserved		
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>							
SFSP Fire District Payment	\$ 9,252.00	\$	9,252.00	\$ 9,252.00	\$		\$
Length of Service Awards Program (LOSAP)	25,000.00		25,000.00			25,000.00	
Local Matching Fund for Grants	500.00		500.00			500.00	
<b><u>Shared Service Agreements</u></b>							
Bureau of Fire Prevention							
Salaries and Wages	3,500.00		6,000.00	5,291.34		708.66	
Board of Health							
Salaries and Wages	100,000.00		100,000.00	98,942.16		1,057.84	
Lead Inspector - Long Branch	3,100.00		3,100.00			3,100.00	
Other Expenses	41,471.00		41,471.00	34,480.00		6,991.00	
Road Repair and Maintenance							
Fuel Oil							
Other Expenses	300,000.00		300,000.00	299,439.62		560.38	
Equipment Maintenance							
Other Expenses	20,000.00		40,000.00	36,826.60		3,173.40	
Police Special Services							
Salaries and Wages	9,000.00		12,000.00	10,989.20		1,010.80	
Information Technology							
Salaries and Wages							
Manalapan Township	85,000.00		87,200.00	83,817.75		3,382.25	
Freehold Borough	17,000.00		17,500.00	16,996.82		503.18	
Dispatch Services							
County of Monmouth							
Other Expenses	372,856.65		372,856.65	372,856.65			
Operational Services							
Salaries and Wages	23,000.00		23,000.00	21,915.91		1,084.09	
Keypoint Borough				5,613.24		2,386.76	
Freehold Regional							

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 7 of 9

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

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Unexpended Balance Cancelled</u>
				<u>Reserved</u>	
<b><u>Public and Private Programs Offset by Revenues</u></b>					
State Grants:					
Alliance to Prevent Alcoholism and Drug Abuse:					
State Share	\$ 20,505.00	\$ 61,515.00	\$ 61,515.00	\$	
Local Share	5,126.00	15,378.50	15,378.50		
State Grants:					
Body Armor Fund	7,578.24	7,578.24	7,578.24		
Clean Communities Program		66,517.78	66,517.78		
Drunk Driving Enforcement Fund		7,377.04	7,377.04		
Recycling Tonnage Grant	74,859.28	74,859.28	74,859.28		
Safe and Secure Communities Program:					
State Share		60,000.00	60,000.00		
Local Share	30,000.00	30,000.00	30,000.00		
Safe Corridors		129,683.00	129,683.00		
Federal Grants:					
Bulletproof Vests	6,363.75	6,363.75	6,363.75		
Click It or Ticket		4,000.00	4,000.00		
Drive Sober or Get Pulled Over		12,500.00	12,500.00		
Total Operations excluded from Caps	<u>1,154,111.92</u>	<u>1,521,652.24</u>	<u>1,472,193.88</u>	<u>49,458.36</u>	
Detail:					
Salaries and Wages	270,600.00	358,177.04	344,943.46	13,233.58	
Other Expenses	883,511.92	1,163,475.20	1,127,250.42	36,224.78	
<b><u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u></b>					
Capital Improvement Fund	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>		

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 8 of 9

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

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<b><u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u></b>					
Payment of Bond Principal	\$ 2,770,000.00	\$ 2,770,000.00	\$ 2,770,000.00		\$ 245,000.00
Payment of Bond Anticipation and Capital Notes	400,000.00	400,000.00	155,000.00		.76
Interest on Bonds	700,652.00	700,652.00	700,651.24		230.00
Interest on Notes	82,800.00	82,800.00	82,570.00		.06
Green Trust Loan Program	448,089.00	448,089.00	448,088.94		
M.C.I.A. Bond Principal	355,000.00	355,000.00	355,000.00		
M.C.I.A. Bond Interest	209,353.00	209,353.00	209,352.50		.50
M.C.I.A. Lease Principal	150,210.00	150,210.00	150,210.00		
M.C.I.A. Lease Interest	45,950.00	45,950.00	44,857.05		1,092.95
Total Municipal Debt Service excluded from Caps	<u>5,162,054.00</u>	<u>5,162,054.00</u>	<u>4,915,729.73</u>		<u>246,324.27</u>
<b><u>DEFERRED CHARGES EXCLUDED FROM CAPS</u></b>					
Special Emergency Authorizations	70,000.00	70,000.00	70,000.00		
<b><u>TRANSFERRED TO BOARD OF EDUCATION</u></b>					
Board of Education	946,680.00	946,680.00	946,680.00		
Total General Appropriations excluded from Caps	<u>7,482,845.92</u>	<u>7,850,386.24</u>	<u>7,554,603.61</u>	49,458.36	246,324.27
Subtotal General Appropriations	37,292,911.92	37,652,252.24	33,869,564.19	3,292,024.76	490,663.29
Reserve for Uncollected Taxes	1,686,710.31	1,686,710.31	1,686,710.31		
Total General Appropriations	<u>\$ 38,979,622.23</u>	<u>\$ 39,338,962.55</u>	<u>\$ 35,556,274.50</u>	<u>\$ 3,292,024.76</u>	<u>\$ 490,663.29</u>

A

Ref.

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 9 of 9**

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

	<b><u>Ref.</u></b>	<b><u>Appropriated Budget After Modification</u></b>
Budget	A-2	\$ 38,979,622.23
Added by N.J.S. 40A:4-87	A	359,340.32
	A-3	<u>\$ 39,338,962.55</u>
	<b><u>Ref.</u></b>	<b><u>Expended Paid or Charged</u></b>
Disbursements	A-4	\$ 33,094,480.08
Reserve for:		
Encumbrances	A	235,886.29
Uncollected Taxes	A-2	1,686,710.31
Special Emergency Authorization Raised		70,000.00
Prepaid Health Premiums	A	(6,574.77)
Interfund - Grant Fund	A-13	<u>475,772.59</u>
	A-3	<u>\$ 35,556,274.50</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**TRUST FUND**

**Exhibit B**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2014 AND 2013**

	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Assets</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Cash	B-1	\$ 81,752.60	\$ 72,709.49
<b><u>Other Trust Fund</u></b>			
Cash	B-1	10,744,408.84	9,530,513.40
Shade Tree Receivable			38,785.00
Interfund - Current Fund	B-6		7,865.91
		<u>10,744,408.84</u>	<u>9,577,164.31</u>
		<u>\$ 10,826,161.44</u>	<u>\$ 9,649,873.80</u>
<b><u>Liabilities and Reserves</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Prepaid Licenses	B-1,3	\$ 13,661.20	\$ 15,052.80
Due State of New Jersey	B-2	1.20	
Reserve for Animal Control Trust Fund	B-3	53,144.40	50,917.40
Interfund - Current Fund	B-4	14,945.80	6,739.29
		<u>81,752.60</u>	<u>72,709.49</u>
<b><u>Other Trust Fund</u></b>			
Miscellaneous Reserves	B-5	10,672,732.47	9,538,379.31
Interfund - Current Fund	B-6	71,676.37	
Reserve for Receivable			38,785.00
		<u>10,744,408.84</u>	<u>9,577,164.31</u>
		<u>\$ 10,826,161.44</u>	<u>\$ 9,649,873.80</u>

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

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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2014 AND 2013**

	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	C-2	\$ 10,193,059.19	\$ 8,740,465.17
Grants Receivable	C-2	159,434.04	134,434.04
Loan Receivable		311,890.39	311,890.39
Accounts Receivable			
Offset with Reserves		34,000.00	51,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	23,265,405.45	26,793,450.59
Unfunded	C-5	29,680,823.70	21,975,523.70
Capital Lease		1,192,590.00	1,507,800.00
		<b><u>\$ 64,837,202.77</u></b>	<b><u>\$ 59,514,563.89</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
General Serial Bonds	C-6	\$ 21,316,000.00	\$ 24,441,000.00
Green Trust Loan	C-7	1,949,405.45	2,352,450.59
Bond Anticipation Notes	C-8	11,500,000.00	8,000,000.00
Interfund - Current Fund	C-8	35,700.00	1,837.94
Improvement Authorizations:			
Funded	C-9	138,130.98	951,164.71
Unfunded	C-9	26,234,926.13	19,700,831.49
Capital Improvement Fund	C-10	715,525.41	721,335.54
Down Payments on Improvements	C-11	95,737.00	95,737.00
M.C.I.A. Lease Payable	C-12	1,192,590.00	1,507,800.00
Reserve for:			
Debt Service	C-2	480.72	635.54
Historical Preservation		15,590.20	15,590.20
Improvements		21,376.00	21,376.00
Reserve for Receivables:			
Accounts Receivables		34,000.00	51,000.00
Loans Receivable		311,890.39	311,890.39
Fund Balance	C-1	1,275,850.49	1,341,914.49
		<b><u>\$ 64,837,202.77</u></b>	<b><u>\$ 59,514,563.89</u></b>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$18,180,823.70 and \$13,975,523.70, respectively, for general improvements (Schedule C-13).

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-1**

**STATEMENT OF CHANGE IN FUND BALANCE**

**REGULATORY BASIS**

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

Balance December 31, 2013	<u>Ref.</u> C		\$ 1,341,914.49
Increased by:			
Receipts:			
Premiums on Sale of Notes	C-2	\$ 91,425.00	
Accounts Receivable with Reserve Realized	C-2	<u>17,000.00</u>	
			<u>108,425.00</u>
			1,450,339.49
Decreased by:			
Capital Fund Balance to Current Fund			<u>174,489.00</u>
Balance December 31, 2014	C		<u>\$ 1,275,850.49</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY FUND**

**Exhibit D**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,**

**Sheet 1 of 2**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2014 AND 2013**

	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Assets</u></b>			
Operating Fund:			
Cash and Cash Equivalents	D-6	\$ 3,721,639.04	\$ 2,619,885.16
Investments		5,482,479.00	5,273,346.00
Cash - Change Fund		100.00	100.00
		<u>9,204,218.04</u>	<u>7,893,331.16</u>
Receivables with Full Reserves:			
Water Charges Receivable	D-9	185,879.36	171,523.86
Sewer Charges Receivable	D-10	289,226.52	309,597.38
Bankruptcy Utility Charges		1,142.36	132.68
		<u>476,248.24</u>	<u>481,253.92</u>
Interfund - Water-Sewer Utility Capital Fund	D-6	128,575.89	
		<u>604,824.13</u>	<u>481,253.92</u>
Total Operating Fund		<u>9,809,042.17</u>	<u>8,374,585.08</u>
Assessment Trust Fund:			
Cash and Cash Equivalents	D-6	304,574.01	365,778.61
Assessments Receivable	D-11	79,068.17	132,860.36
Total Assessment Trust Fund		<u>383,642.18</u>	<u>498,638.97</u>
Capital Fund:			
Cash and Cash Equivalents	D-6	6,183,252.19	2,461,405.83
Accounts Receivable	D-12	34,172.00	34,172.00
Fixed Capital	D-13	50,999,247.50	49,566,455.87
Fixed Capital Authorized and Uncompleted	D-14	14,449,834.91	11,500,000.00
Total Capital Fund		<u>71,666,506.60</u>	<u>63,562,033.70</u>
		<u>\$ 81,859,190.95</u>	<u>\$ 72,435,257.75</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY FUND**

**Exhibit D**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,**

**Sheet 2 of 2**

**RESERVES AND FUND BALANCE - REGULATORY BASIS**

**DECEMBER 31, 2014 AND 2013**

	<b><u>Ref.</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Liabilities, Reserves and Fund Balance (Continued)</u></b>			
Operating Fund:			
Appropriation Reserves	D-5,15	\$ 1,134,667.35	\$ 1,275,992.11
Reserve for Encumbrances	D-5,15	88,452.39	141,591.44
Prepaid Water-Sewer Rents	D-6,9,10	16,493.17	17,894.89
Accounts Payable	D-3		1,005.07
Accrued Interest on Bonds and Notes	D-16	58,214.46	64,302.50
		<u>1,297,827.37</u>	<u>1,500,786.01</u>
Reserve for Receivables		476,248.24	481,253.92
Operating Fund Balance	D-3	8,034,966.56	6,392,545.15
Total Operating Fund		<u>9,809,042.17</u>	<u>8,374,585.08</u>
Assessment Trust Fund:			
Reserve for Assessments and Liens	D-17	79,068.17	132,860.36
Serial Bonds	D-22		115,000.00
Fund Balance	D-2	304,574.01	250,778.61
Total Assessment Trust Fund		<u>383,642.18</u>	<u>498,638.97</u>
Capital Fund:			
Interfund - Water-Sewer Utility Operating Fund	D-24	128,575.89	
Improvement Authorizations:			
Funded	D-18		50,091.59
Unfunded	D-18	8,150,305.32	4,013,129.83
Capital Improvement Fund	D-19	287,195.00	287,195.00
Reserve for Amortization	D-20	47,187,737.50	45,656,373.39
Deferred Reserve for Amortization	D-21	663,150.00	674,000.00
Serial Bonds	D-23	7,025,000.00	8,030,000.00
Bond Anticipation Notes	D-24	6,900,000.00	3,575,000.00
M.C.I.A. Lease Payable	D-25	66,510.00	73,800.00
Reserve for Infrastructure Contribution		72,169.80	71,435.80
Reserve for Accounts Receivable		34,172.00	34,172.00
Fund Balance	D-1	1,151,691.09	1,096,836.09
Total Capital Fund		<u>71,666,506.60</u>	<u>63,562,033.70</u>
		<u>\$ 81,859,190.95</u>	<u>\$ 72,435,257.75</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$3,630,096.39 and \$3,133,147.31 respectively (Exhibit D-26).

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-1**

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

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

Balance December 31, 2013	<u>Ref.</u> D		\$ 1,096,836.09
Increased by:			
Premium on Sale of Notes	D-6		<u>54,855.00</u>
Balance December 31, 2014	D		<u><u>\$ 1,151,691.09</u></u>

**WATER-SEWER UTILITY ASSESSMENT FUND**

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

**Exhibit D-2**

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

Balance December 31, 2013	<u>Ref.</u> D		\$ 250,778.61
Increased by:			
Collection of Unpledged Assessments	D-17	\$ 53,792.19	
Excess Assessments Collected	D-6	<u>3.21</u>	
			<u>53,795.40</u>
Balance December 31, 2014	D		<u><u>\$ 304,574.01</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-3**

**COMPARATIVE STATEMENT OF OPERATIONS AND**

**CHANGE IN FUND BALANCE - REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<b><u>Ref.</u></b>	<b><u>Year 2014</u></b>	<b><u>Year 2013</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	D-4	\$ 3,445,476.00	\$ 2,174,938.00
Rents:			
Water Charges	D-4	4,000,184.74	3,800,524.29
Sewer Charges	D-4	7,346,929.84	7,190,780.94
Miscellaneous:			
Fire Hydrant Service	D-4	199,035.08	196,841.06
Water Connection Fees	D-4	506,381.17	252,067.49
Sewer Connection Fees	D-4	363,306.10	114,927.99
Interest on Deposits	D-4	103,251.26	72,060.26
Miscellaneous Revenue Anticipated	D-4	84,724.34	68,920.69
Other Credits to Income:			
Prior Year Sewer Charge Reimbursement	D-6	588,148.23	891,155.53
Unexpended Balance of Appropriation Reserves	D-15	1,078,571.54	1,004,603.77
Accounts Payable Cancelled	D	1,005.07	
Total Income		<u>17,717,013.37</u>	<u>15,766,820.02</u>
<b><u>Budget and Other Expenditures</u></b>			
Budget:			
Operating		10,371,442.00	10,246,604.00
Capital Improvements		93,500.00	
Debt Service		1,882,743.96	1,483,140.59
Statutory Expenditures		281,430.00	212,000.00
	D-5	<u>12,629,115.96</u>	<u>11,941,744.59</u>
Refund of Prior Year Revenue	D-6		67.69
		<u>12,629,115.96</u>	<u>11,941,812.28</u>
Excess in Revenues		5,087,897.41	3,825,007.74
Fund Balance January 1	D	6,392,545.15	4,742,475.41
		<u>11,480,442.56</u>	<u>8,567,483.15</u>
Decreased by:			
Utilization by:			
Water-Sewer Operating Budget	D-3	<u>3,445,476.00</u>	<u>2,174,938.00</u>
Fund Balance December 31	D	<u>\$ 8,034,966.56</u>	<u>\$ 6,392,545.15</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-4**

**STATEMENT OF REVENUES - REGULATORY BASIS**

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

	<b>Ref.</b>	<b>Anticipated Budget</b>	<b>Realized</b>	<b>Excess or (Deficit)</b>
Fund Balance Anticipated	D-3	\$ 3,445,476.00	\$ 3,445,476.00	\$
Water Rents	D-3,9	3,500,000.00	4,000,184.74	500,184.74
Sewer Rents	D-3,10	6,500,000.00	7,346,929.84	846,929.84
Miscellaneous:				
Water Connection Fees	D-3,6	25,000.00	506,381.17	481,381.17
Sewer Connection Fees	D-3,6	25,000.00	363,306.10	338,306.10
Interest on Investments	D-3,6	25,000.00	103,251.26	78,251.26
Fire Hydrant Service	D-3,9	120,000.00	199,035.08	79,035.08
Miscellaneous Other	D-3,4	30,000.00	84,724.34	54,724.34
		<u>\$ 13,670,476.00</u>	<u>\$ 16,049,288.53</u>	<u>\$ 2,378,812.53</u>

Ref. D-5

**Analysis of Miscellaneous Other**

Interest on Delinquent Accounts		\$ 42,258.76
Interest on Delinquent Assessments		805.53
Meter Installation		4,309.46
Fire Protection		
Disconnect Fees		5,047.97
NSF Check Fees		1,617.00
Miscellaneous Other		<u>30,685.62</u>
	D-4,6	<u>\$ 84,724.34</u>
Receipts	D-6	\$ 84,657.54
Bankruptcy Utility Charges	D-6	<u>66.80</u>
	D-4	<u>\$ 84,724.34</u>

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

Exhibit D-5

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

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

	<u>Appropriated</u>		<u>Budget After Modification</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget</u>		<u>Paid or Charged</u>	<u>Reserved</u>	
Operating						
Salaries and Wages	\$ 1,406,000.00	\$ 1,406,000.00	\$ 1,405,456.47	\$ 543.53	\$	
Other Expenses	8,966,542.00	8,965,442.00	7,849,132.41	1,116,309.59		
Capital Improvements						
Capital Outlay	1,000,000.00	1,000,000.00	93,500.00			906,500.00
Debt Service						
Payment of Bond Principal	1,005,000.00	1,005,000.00	1,005,000.00			
Payment of Bond Anticipation Notes	636,800.00	636,800.00	508,224.11			128,575.89
Interest on Bonds	328,000.00	328,000.00	321,797.11			6,202.89
Interest on Notes	37,000.00	37,600.00	37,518.74			81.26
M.C.I.A. - Principal	7,290.00	7,290.00	7,290.00			
M.C.I.A. - Interest	2,914.00	2,914.00	2,914.00			
Statutory Expenditures						
Contribution to:						
Public Employees' Retirement System	172,930.00	172,930.00	155,302.00	17,628.00		
Social Security System (O.A.S.I.)	108,000.00	108,500.00	108,313.77	186.23		
	<u>\$ 13,670,476.00</u>	<u>\$ 13,670,476.00</u>	<u>\$ 11,494,448.61</u>	<u>\$ 1,134,667.35</u>	<u>\$ 1,041,360.04</u>	
<b><u>Ref.</u></b>	D-4	D-3	D	D	D-3	
Reserve for Encumbrances			\$ 88,452.39			
Disbursements			11,046,680.37			
Accrued Interest on Bonds and Notes			359,315.85			
			<u>\$ 11,494,448.61</u>			

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL FIXED ASSETS ACCOUNT GROUP**

**Exhibit F**

**COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES**

**REGULATORY BASIS**

**DECEMBER 31, 2014 AND 2013**

	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Assets</u></b>		
General Fixed Assets:		
Land	\$ 109,753,200.00	\$ 109,753,200.00
Buildings and Improvements	12,123,800.00	12,123,800.00
Equipment	3,716,013.33	3,701,239.45
Motor Vehicles and Equipment	<u>8,438,433.57</u>	<u>8,304,045.79</u>
	<u>\$ 134,031,446.90</u>	<u>\$ 133,882,285.24</u>
<b><u>Liabilities</u></b>		
Investment in General Fixed Assets	<u>\$ 134,031,446.90</u>	<u>\$ 133,882,285.24</u>

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

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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**PAYROLL FUND**

**Exhibit G**

**COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES**

**REGULATORY BASIS**

**DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b><u>Assets</u></b>		
Cash	\$ <u>150,252.21</u>	\$ <u>146,156.98</u>
<b><u>Liabilities</u></b>		
Due to Various Agencies	\$ <u>150,252.21</u>	\$ <u>146,156.98</u>

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

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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the Township of Freehold, County of Monmouth, 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 fire districts which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The Township had no component units during 2014.

**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 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.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

**B. Descriptions of Funds (Continued)**

**Water-Sewer Utility Assessment Trust Fund** - used to account for the financing of local utility improvements deemed to benefit the properties against which assessments are levied.

**Water-Sewer Utility Operating Fund** - revenues and expenditures necessary to operate municipally-owned water supply and sewer collection systems from user fees.

**Water-Sewer Utility Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water-sewer capital facilities, other than those acquired through the Water-Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

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

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

**C. Basis of Accounting**

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

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

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

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

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

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

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

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

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

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

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

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

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

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

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

**General Fixed Assets** - In accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Township has developed a fixed assets accounting and reporting system based on an inspection and historic cost analysis.

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

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

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

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

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

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

**Utility Fixed Assets** - Accounting for utility fund “fixed capital” remains unchanged.

Property and equipment purchased by the Water-Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contribution in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Water-Sewer Utility Fund are not depreciated. Principal payments for Water-Sewer Utility debt are recorded as expenditures in the Water-Sewer Utility Statement of Operations.

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

	Balance Jan. 1, 2014	Expended from		Less: Disposals	Transfers/ Cancelled	Balance Dec. 31, 2014
		Current/ Capital Funds	Utility Fund			
General Fixed Assets Account Group:						
Land	\$ 109,753,200	\$	\$	\$	\$	\$ 109,753,200
Buildings and Improvements	12,123,800					12,123,800
Equipment	3,701,239	68,447		53,673		3,716,013
Motor Vehicles and Equipment	8,304,046	882,269		747,980	99	8,438,434
	<u>133,882,285</u>	<u>950,716</u>		<u>801,653</u>	<u>99</u>	<u>134,031,447</u>
Water-Sewer Utility Capital Fund:						
Fixed Capital	49,566,456				1,432,792	50,999,248
Fixed Capital Authorized and Uncompleted	11,500,000		4,900,000		(1,950,165)	14,449,835
	<u>61,066,456</u>		<u>4,900,000</u>		<u>(517,373)</u>	<u>65,449,083</u>
	<u>\$ 194,948,741</u>	<u>\$ 950,716</u>	<u>\$ 4,900,000</u>	<u>\$ 801,653</u>	<u>\$ (517,274)</u>	<u>\$ 199,480,530</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

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

**Utility Fixed Assets (Continued)**

	<u>Balance</u> <u>Jan. 1, 2013</u>	<u>Expended from</u>		<u>Less:</u> <u>Disposals</u>	<u>Transfers/</u> <u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
		<u>Current/</u> <u>Capital</u> <u>Funds</u>	<u>Utility</u> <u>Fund</u>			
General Fixed Assets Account Group:						
Land	\$ 109,444,000	\$ 292,300	\$	\$ 9,600	\$ 26,500	\$ 109,753,200
Buildings and Improvements	12,122,300				1,500	12,123,800
Equipment	3,522,772	237,591		59,124		3,701,239
Motor Vehicles and Equipment	8,083,193	317,284		96,431		8,304,046
	<u>133,172,265</u>	<u>847,175</u>		<u>165,155</u>	<u>28,000</u>	<u>133,882,285</u>
Water-Sewer Utility Capital Fund:						
Fixed Capital	43,523,954		73,800		5,968,702	49,566,456
Fixed Capital Authorized and Uncompleted	18,075,000				(6,575,000)	11,500,000
	<u>61,598,954</u>		<u>73,800</u>		<u>(606,298)</u>	<u>61,066,456</u>
	<u>\$ 194,771,219</u>	<u>\$ 847,175</u>	<u>\$ 73,800</u>	<u>\$ 165,155</u>	<u>\$ (578,298)</u>	<u>\$ 194,948,741</u>

**D. Financial Statements**

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

**E. Budgets and Budgetary Accounting**

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

**NOTE 2. CASH AND CASH EQUIVALENTS**

**A. Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

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

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

**A. Deposits (Continued)**

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

At year-end the carrying amount of the Township's deposits was \$47,183,109 and the bank balance amount was \$47,504,751. Of this amount \$500,000 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$43,857,355. An amount of \$3,147,396 was on deposit in the name of various developers for escrow and is insured by federal depository insurance or uninsured depending on the deposits of the individual developer in the depository.

**B. Investments**

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

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

**B. Investments (Continued)**

a. (8) (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

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

At year-end, the carrying value of the Township's investments and the investment balance was \$20,207,402.

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

**U.S. Government Bonds**

The Township has unrealized losses on investments in U.S. Government Bonds, \$269,549 and \$83,801 for the Current Fund and Water-Sewer Utility Fund, respectively, which have been caused by interest rate fluctuations. Because the Township does not intend to sell the investments before the maturity date and the principal of these instruments are guaranteed, the Township does not consider those investments to be other-than-temporarily impaired at December 31, 2014.

<b><u>Description of Securities</u></b>	<b><u>Total Cost</u></b>	<b><u>Market Value</u></b>	<b><u>Unrealized Loss</u></b>
Government Bonds:			
Current Fund	\$ 15,724,923	\$ 15,539,238	\$ 185,685
Water-Sewer Utility Fund	5,482,479	5,428,641	53,838
Total	<u>\$ 21,207,402</u>	<u>\$ 20,967,879</u>	<u>\$ 239,523</u>

**C. Cash Management Plan**

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

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

**C. Cash Management Plan (Continued)**

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

**D. Credit Risk Categories**

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

<b><u>Depository Account</u></b>	<b>Bank Balance</b>	
	<b>2014</b>	<b>2013</b>
Insured:		
FDIC	\$ 500,000	\$ 500,000
GUDPA	43,857,355	35,712,190
Uninsured	21,207,403	20,808,026
Escrow Deposits	3,147,396	1,501,832
	<b>\$ 68,712,154</b>	<b>\$ 58,522,048</b>

**Custodial Credit Risk - Deposits**

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

State law limits investments as noted above.

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

**NOTE 3. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt**

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

**General Capital Fund**

4.125% to 4.25% General Improvement Bonds Issued July 26, 2007, installment maturities to July 1, 2021	\$ 3,710,000
4.125% to 4.25% Open Space Bonds Issued July 26, 2007, installment maturities to July 1, 2022	2,310,000
3.00% to 5.25% General Improvement Bonds Issued June 1, 2008, installment maturities to December 1, 2023	4,036,000
3.00% to 4.00% General Obligation Refunding Bonds Issued December 16, 2009, installment maturities to September 15, 2016	1,355,000
3.00% to 5.00% Open Space Refunding Bonds Issued December 16, 2009, installment maturities to September 16, 2021	290,000
1.50% to 3.00% General Obligation Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2018	3,720,000
1.50% to 3.50% Open Space Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2014	615,000
2.00% to 3.25% General Obligation Bonds Issued December 1, 2014, installment maturities to December 1, 2026	<u>5,280,000</u>
	<b>\$ <u>21,316,000</u></b>

**Water-Sewer Utility Capital Fund**

4.125% to 4.25% Utility Bonds Issued July 26, 2007, Installment maturities to July 15, 2022	\$ 1,800,000
3.00% to 5.00% Utility Refunding Bonds Issued December 16, 2009, installment maturities to September 15, 2021	3,575,000
1.50% to 3.50% Utility Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2024	<u>1,650,000</u>
	<b>\$ <u>7,025,000</u></b>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt**

The General Capital Fund Bonds and Water-Sewer Utility Capital Fund mature serially in installments to the year 2026. Aggregate debt service requirements are as follows:

**General Capital Fund**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 3,162,000	\$ 795,265
2016	3,216,000	681,153
2017	2,747,000	568,650
2018	2,763,000	470,870
2019	1,805,000	367,162
2020-24	6,613,000	802,763
2025-26	<u>1,010,000</u>	<u>48,324</u>
Total	\$ <u>21,316,000</u>	\$ <u>3,734,187</u>

**Water-Sewer Utility Capital Fund**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,005,000	\$ 284,800
2016	1,000,000	245,950
2017	995,000	207,250
2018	1,000,000	162,100
2019	745,000	116,700
2020-24	<u>2,280,000</u>	<u>189,625</u>
Total	\$ <u>7,025,000</u>	\$ <u>1,206,425</u>

**Green Trust Loan Program**

The Township has seven low interest loans (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. The \$2,000,000 loan for open space acquisition was finalized on November 20, 1996 and an additional \$965,000 in November 1997. A \$500,000 loan for park development was finalized in October 1998. A \$2,250,000 loan for open space acquisition was finalized in November 2000. Additional loans of \$400,000, \$600,000 and \$300,000 for Opatut Park were finalized in October 2005, September 2007, and February 2008, respectively. The Township must repay each loan in semi-annual installments over twenty years. The balance December 31, 2014 was \$1,949,405. Loan payments are due through 2027.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 3. DEBT (CONTINUED)**

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

**Green Trust Loan Program (Continued)**

Debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 411,146	\$ 36,943
2016	357,227	28,679
2017	271,896	21,823
2018	261,183	16,655
2019	145,358	11,864
2020-24	378,931	33,518
2025-27	<u>123,664</u>	<u>3,180</u>
Total	\$ <u>1,949,405</u>	\$ <u>152,662</u>

**B. Short-Term Debt**

On December 31, 2014, the Township's outstanding Bond Anticipation Notes were as follows:

<u>Ordinance Number</u>		<u>Amount</u>	<u>Interest Rate</u>
	<b><u>General Capital Fund</u></b>		
02-13	Various Improvements	\$ 394,000	1.00%
03-09	Various Improvements	122,600	1.00%
03-09	Various Improvements	30,600	1.00%
03-09	Various Improvements	70,000	1.00%
04-11	Various Improvements	28,000	1.00%
04-11	Various Improvements	114,800	1.00%
04-11	Various Improvements	60,200	1.00%
06-21	Various Improvements	274,900	1.00%
07-14, 08-29	Various Improvements	696,000	1.00%
09-16	Various Improvements	147,400	1.00%
09-16	Various Improvements	159,000	1.00%
09-16	Various Improvements	227,000	1.00%
10-21	Various Improvements	85,000	1.00%
10-21	Various Improvements	150,000	1.00%
11-20	Various Improvements	395,000	1.00%
12-12	Various Improvements	1,015,000	1.00%
12-12	Various Improvements	2,500,000	1.00%
12-19	Various Improvements	50,000	1.00%
12-19	Various Improvements	1,350,000	1.00%
14-05	Various Improvements	<u>3,630,500</u>	1.00%
		\$ <u>11,500,000</u>	

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 3. DEBT (CONTINUED)**

**B. Short-Term Debt (Continued)**

<u>Ordinance Number</u>		<u>Amount</u>	<u>Interest Rate</u>
	<b><u>Water-Sewer Utility Capital Fund</u></b>		
02-14, 04-31	Improvements to the Water System	\$ 93,000	1.00%
02-14, 04-31	Improvements to the Water System	50,000	1.00%
02-14, 04-31	Improvements to the Water System	450,000	1.00%
07-15	Various Improvements to the Water-Sewer System	9,200	1.00%
07-15	Various Improvements to the Water-Sewer System	230,000	1.00%
09-17	Various Improvements to the Water-Sewer System	727,400	1.00%
09-17	Various Improvements to the Water-Sewer System	175,000	1.00%
09-17	Various Improvements to the Water-Sewer System	4,500	1.00%
09-17	Various Improvements to the Water-Sewer System	300,000	1.00%
10-22	Various Improvements to the Water-Sewer System	423,500	1.00%
11-21	Various Improvements to the Water-Sewer System	200,000	1.00%
12-13	Various Improvements to the Water-Sewer System	275,600	1.00%
14-06	Various Improvements to the Water-Sewer System	<u>3,961,800</u>	1.00%
		\$ <u>6,900,000</u>	

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

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

	<u>2014</u>	<u>2013</u>
General Capital Fund	\$ 18,180,824	\$ 13,975,524
Water-Sewer Utility Capital Fund	3,630,096	3,133,147

**D. Borrowing Power**

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2014 and 2013 was .787% and .695%, respectively. The Township's remaining borrowing power at December 31, 2014 and 2013 was 2.713% and 2.805%, respectively.

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

**E. Debt Guarantee**

The Township, by ordinance, has guaranteed payment of principal and interest on 2009, 2011 and 2014 capital equipment leases by the Freehold Township School District. The outstanding balance of the lease at December 31, 2014 and 2013 was \$516,000 and \$859,000, respectively.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 3. DEBT (CONTINUED)**

**F. Summary of Debt Activity**

During 2014 and 2013 the following changes occurred in the issued and outstanding debt of the Township:

	<u>Balance</u> <u>Jan. 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Due within</u> <u>One Year</u>
General Capital Fund:					
Serial Bonds	\$ 24,441,000	\$	\$ 3,125,000	\$ 21,316,000	\$ 3,125,000
Bond Anticipation Notes	8,000,000	3,690,700	190,700	11,500,000	400,000
Green Trust Loans	2,352,451		406,046	1,946,405	411,136
Water-Sewer Utility Assessment Fund:					
Serial Bonds	115,000		115,000		
Water-Sewer Utility Capital Fund:					
Serial Bonds	8,030,000		1,005,000	7,025,000	1,005,000
Bond Anticipation Notes	3,575,000	3,961,800	636,800	6,900,000	600,000
	<u>\$ 46,513,451</u>	<u>\$ 7,652,500</u>	<u>\$ 5,478,546</u>	<u>\$ 48,687,405</u>	<u>\$ 5,541,136</u>

	<u>Balance</u> <u>Jan. 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Due within</u> <u>One Year</u>
General Capital Fund:					
Serial Bonds	\$ 21,834,000	\$ 5,640,000	\$ 3,033,000	\$ 24,441,000	\$ 3,125,000
Bond Anticipation Notes	10,229,000	4,627,000	6,856,000	8,000,000	190,700
Green Trust Loans	2,747,554		395,103	2,352,451	406,046
Water-Sewer Utility Assessment Fund:					
Serial Bonds	265,000		150,000	115,000	115,000
Water-Sewer Utility Capital Fund:					
Serial Bonds	9,040,000		1,010,000	8,030,000	1,005,000
Bond Anticipation Notes	2,899,000	750,000	74,000	3,575,000	636,800
	<u>\$ 47,014,554</u>	<u>\$ 11,017,000</u>	<u>\$ 11,518,103</u>	<u>\$ 46,513,451</u>	<u>\$ 5,478,546</u>

**NOTE 4. ACCRUED SICK PAY 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 sick pay. The Township permits certain employees within limits to accumulate unused 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 would approximate \$999,551 and \$982,653 at December 31, 2014 and 2013. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 5. FUND BALANCES**

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

	<u>2014</u>	<u>2013</u>
Current Fund	\$ 5,572,626	\$ 5,335,407
Water-Sewer Utility Fund	3,082,476	3,445,476

**NOTE 6. TAXES AND SEWER CHARGES COLLECTED IN ADVANCE**

Taxes and water-sewer charges collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance December 31</u>	
	<u>2014</u>	<u>2013</u>
Prepaid Taxes	\$ 556,404	\$ 542,952
Prepaid Water-Sewer Utility Charges	16,493	17,895

**NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

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, Local and Regional School Districts and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13th.

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

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

**NOTE 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014 the following deferred charge is reflected on the balance sheet of the Current Fund:

	<b><u>Balance</u></b> <b><u>Dec. 31, 2014</u></b>	<b><u>2015 Budget</u></b> <b><u>Appropriation</u></b>	<b><u>Balance to</u></b> <b><u>Succeeding</u></b> <b><u>Budgets</u></b>
Special Emergency Authorizations:			
N.J.S. 40A:4-55	\$ 175,000	\$ 70,000	\$ 105,000

**NOTE 10. PENSION PLANS**

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

**Public Employees’ Retirement System (PERS)**

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 10. PENSION PLANS (CONTINUED)**

**Police and Firemen’s Retirement System (PFRS)**

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

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

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

**Defined Contribution Retirement Program (DCRP)**

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

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

**Other Information**

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

	2014			2013			2012		
	PERS	PFRS	DCRP	PERS	PFRS	DCRP	PERS	PFRS	DCRP
Normal Contribution	\$ 218,688	\$ 707,362	\$ 2,046	\$ 214,079	\$ 708,194	\$ 2,021	\$ 272,568	\$ 780,031	\$ 943
2014 Adjustment	(83,943)	(112,886)							
Accrued Liability	592,420	978,602		511,868	937,198		545,135	877,864	
Total Regular Pension				725,947					
Contribution Non-Contributory Group	727,165	1,573,078	2,046	7	1,645,392	2,021	817,703	1,657,895	943
Life Insurance	12,367	60,035		43,206	67,953		52,098	60,726	
Total Due	\$ 739,532	\$ 1,633,113	\$ 2,046	\$ 769,153	\$ 1,713,345	\$ 2,021	\$ 869,801	\$ 1,718,621	\$ 943

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

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

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

In addition to the pension benefits described in Note 10, the Township provides postretirement health care benefits to full-time employees who retire from the Township with twenty years of service or police who retire on disability. Currently, seventy retirees meet those requirements. Expenditures for postretirement health care benefits are recognized when the insurance premiums are charged to the budget. During 2014 and 2013, expenditures, net of contributions, of \$2,028,987 and \$1,835,411, respectively, were recognized for postretirement health care.

**NOTE 12. SCHOOL TAXES**

Local and Regional District 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>Balance December 31</b>			
	<b>Local District School Taxes</b>		<b>Regional District School Taxes</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Balance of Tax Deferred	\$ 30,191,984	\$ 29,294,871	\$ 12,760,345	\$ 12,551,115
	25,566,589	25,566,589		
Tax Payable	\$ 4,625,395	\$ 3,728,282	\$ 12,760,345	\$ 12,551,115

**NOTE 13. CONTINGENT LIABILITIES**

**State and Federal Financial Assistance**

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2014, the Township estimates that no material liabilities will result from such audits.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 13. CONTINGENT LIABILITIES (CONTINUED)**

**Major Tax Assessments**

Taxpayers in 2014 with assessments in excess of 1% of the total assessed valuation were as follows:

<u>Owner</u>	<u>Assessed Value</u>	<u>% of Assessed Value</u>
Freemall Associates	\$ 315,292,500	5.75%

**Tax Appeals**

The Township has reserved \$344,320 in anticipation of successful tax appeals currently pending before the State courts.

**Pending Litigation**

There are actions which have been instituted against the Township which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Township.

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

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

**NOTE 14. INTERFUND RECEIVABLES AND PAYABLES**

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 122,322.17	\$ 320,622.06
Grant Fund	320,622.06	
Animal Control Trust Fund		14,946.00
Other Trust Fund		71,676.00
General Capital Fund		35,700.00
Water-Sewer Utility Operating Fund	128,576.00	
Water-Sewer Utility Capital Fund	_____	_____
	<u>\$ 571,520.23</u>	<u>\$ 571,520.00</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 15. CAPITAL LEASE**

The Township in 2005, 2007 and 2014 authorized capital leases with the Monmouth County Improvement Authority. The amounts authorized for the equipment acquisition were \$769,900, \$866,200 and \$844,200 in the General Capital Fund. The Water-Sewer Utility Capital authorized \$73,800 in the 2013 lease. As described in Note 1, the obligations under the capital lease based upon the regulatory basis of accounting is as follows:

<u>Year</u>	<u>General Capital Fund</u>		<u>Water-Sewer Utility Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 229,740	\$ 52,820	\$ 7,560	\$ 2,900
2016	239,470	42,825	7,830	2,600
2017	193,310	31,690	8,190	2,210
2018	111,270	22,245	8,730	1,800
2019	86,700	17,260	6,300	1,360
2020-23	<u>332,100</u>	<u>32,580</u>	<u>27,900</u>	<u>2,820</u>
Total	\$ <u>1,192,590</u>	\$ <u>199,420</u>	\$ <u>66,510</u>	\$ <u>13,690</u>

**NOTE 16. GROUND LEASE**

The Township authorized a ground lease for a parcel of land utilized for the construction of affordable senior housing. The loan amount is \$299,000 bearing an interest rate of one percent (1%) per annum. There are stipulations in the lease agreements for the repayment of the ground lease to the Township. The balance receivable at December 31, 2014 and 2013 is \$311,890.

**NOTE 17. UNEMPLOYMENT COMPENSATION INSURANCE**

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.) The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. A portion of funds collected from employees are transmitted to the State. The Reserve for Unemployment Trust at December 31, 2014 and 2013 is \$142,129 and \$154,424, respectively.

**NOTE 18. SALE OF MUNICIPAL ASSETS**

As noted in Note 1, the Township has reserved proceeds of municipal assets for use as an anticipated revenue in future budgets. The balance at December 31, 2014 and 2013 is \$1,011,111.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 19. OTHER POST-RETIREMENT BENEFITS - GASB 45**

The Township provides post-employment medical, prescription drug, dental and vision benefits to eligible retired employees and their spouses. The Township pays 100% of the insurance cost for the retiree.

The Township's annual Other Post-Employment Benefit ("OPEB") cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan's funding requirements is the "Unit Credit" method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in the Township's annual OPEB cost for the year, the amount actually contributed to the Plan and changes in their net OPEB obligation to the plan:

Annual Required Contribution ("ARC")	\$ 11,005,971
Interest on the net OPEB Obligation	837,411
Adjustments to ARC	<u>(1,142,444)</u>
Annual OPEB Cost	10,700,938
Payments Made	<u>(1,814,658)</u>
	8,886,280
Increase in Net OPEB Obligation	
Net OPEB Obligation - Beginning of Year	<u>18,609,143</u>
Net OPEB Obligation - End of Year	\$ <u>27,495,423</u>

The Township's annual OPEB cost, the percentage of annual OPEB contributed to the Plan, and the net OPEB for the year ending December 31, 2014 is as follows (in thousands):

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Percentage Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2014	\$ 10,701	16.96%	\$ 27,495

  

<u>Year Ended</u>	<u>Valuation Date</u>	<u>Actuarial Value of Assets {a}</u>	<u>Actuarial Accrued Liability (AAL) {b}</u>	<u>Unfunded Actuarial Accrued Liability (UAAL) {c}={b}-{a}</u>	<u>Funded Ratio {a}/{c}</u>	<u>Covered Payroll {d}</u>	<u>Ratio of UAAL to Covered Payroll {c}/{d}</u>
12/31/2013	12/31/2013	\$ -0-	\$ 127,637	\$ 127,637	0%	\$ 13,479	946.9%

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumptions, and the combined impact of all assumptions.

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**

**NOTE 19. OTHER POST-RETIREMENT BENEFITS - GASB 45 (CONTINUED)**

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that being partially funded. A discount rate of 4.5% was assumed for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded; annual claims were assumed to increase starting at 8% and grading down to 5%, with different starting points and different periods over which 5% is reached for different benefits.

The unfunded Actuarial Accrued Liability (AAL) is amortized at a level dollar amount using an open period of 30 years.

**NOTE 20. SUBSEQUENT EVENTS**

On February 24, 2015 the Township Council approved Ordinance O-15-03 to appropriate funds from the Utility Fund Capital Improvement Fund to provide for the rehabilitation of sewer mains. On April 15, 2015 the Township Council approved Ordinance O-15-08 to refund all or a portion of the Township's General Obligation Bonds, Series 2008, in an amount not to exceed \$2,800,000. On May 12, 2015 the Township Council approved Ordinance O-15-09 to refund all or a portion of the Township's General Obligation Bonds, Series 2007, in an amount not to exceed \$5,400,000.

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**TOWNSHIP OF FREEHOLD**  
**COUNTY OF MONMOUTH**  
**PART II**  
**SUPPLEMENTARY DATA**  
**SUPPLEMENTARY SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2014**

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**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	\$ <u>2.349</u>	\$ <u>2.293</u>	\$ <u>2.010</u>
Apportionment of Tax Rate			
Net County Levy	.295	.292	.262
County Library Tax	.019	.019	.015
County Open Space Tax	.016	.016	.015
Municipal Open Space Tax	.030	.030	.030
District School Tax	1.151	1.117	.983
Regional School District	.480	.471	.411
Local Municipal Purpose Tax	.358	.348	.294
Fire Districts			
Number 1	.040	.031	.028
Number 2	.044	.043	.038
Assessed Valuation			
2014	\$ 5,482,575,400		
2013		\$ 5,486,811,000	
2012			\$ 6,114,837,200

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2014	\$ 131,597,302	\$ 130,281,757	99.00%
2013	128,004,464	126,792,531	99.05%
2012	125,806,478	123,852,099	98.44%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$ 301,020	\$ 1,259,024	\$ 1,560,044	1.19%
2013	293,358	1,171,135	1,464,493	1.14%
2012	285,847	1,533,457	1,819,304	1.45%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 584,150
2013	584,150
2012	584,150

**COMPARISON OF WATER-SEWER UTILITY RENTS**

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquents</u>	<u>Cash Collections</u>
2014	\$ 11,541,211	\$ 481,121	\$ 11,546,150
2013	11,180,223	489,045	11,188,146
2012	11,263,531	451,725	11,226,212

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<b><u>Current Fund</u></b>		
2014	\$ 7,352,570	\$ 5,572,626
2013	6,773,072	5,335,407
2012	5,698,135	4,431,915
2011	6,122,134	4,955,554
2010	7,573,431	6,481,576
<b><u>Water Utility Operating Fund</u></b>		
2014	\$ 8,034,967	\$ 3,082,476
2013	6,392,545	3,445,476
2012	4,752,475	2,174,938
2011	3,583,677	2,185,512
2010	3,347,792	2,460,798

**SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<b><u>Issued</u></b>			
General:			
Bonds, Notes, and Loans	\$ 34,765,405	\$ 34,793,451	\$ 34,810,554
Township Lease Guarantee			293,000
Board of Education Lease Guarantee	516,000	859,000	776,000
Water-Sewer Utility:			
Bonds and Notes	13,925,000	11,605,000	11,939,000
Assessment Bonds		<u>115,000</u>	<u>265,000</u>
	<u>49,206,405</u>	<u>47,372,451</u>	<u>48,083,554</u>
Less:			
Funds Temporarily Held to Pay Bonds:			
Water-Utility Assessment Fund		<u>115,000</u>	<u>251,115</u>
Net Debt Issued	<u>49,206,405</u>	<u>47,257,451</u>	<u>47,832,439</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	18,180,824	13,975,524	19,740,268
Water-Sewer Utility:			
Bonds and Notes	<u>3,630,096</u>	<u>3,133,147</u>	<u>4,413,581</u>
Total Authorized but not Issued	<u>21,810,920</u>	<u>17,108,671</u>	<u>24,153,849</u>
Net Bonds and Notes Issued and			
Authorized but not Issued	\$ <u>71,017,325</u>	\$ <u>64,366,122</u>	\$ <u>71,986,288</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 .787%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 47,430,000	\$ 47,430,000	\$ -0-
Regional School District Debt	5,496,171	5,496,171	-0-
Water-Sewer Utility Debt	17,555,097	17,555,097	-0-
General Debt	<u>53,462,229</u>	<u>6,755,765</u>	<u>46,706,464</u>
	\$ <u>123,943,497</u>	\$ <u>77,237,033</u>	\$ <u>46,706,464</u>

Net Debt \$46,706,464 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$5,935,409,833 = .787%

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 207,739,344
Net Debt	<u>46,706,464</u>
Remaining Borrowing Power	\$ <u>161,032,880</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER-SEWER UTILITY PER N.J.S. 40A:2-45**

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 16,049,289
Deductions:		
Operating and Maintenance Cost	\$ 10,652,872	
Debt Service per Water Account	<u>1,882,744</u>	
Total Deductions		<u>12,535,616</u>
Excess in Revenue		\$ <u>3,513,673</u>

The foregoing debt information is in agreement with a revised Annual Debt Statement as filed by the Chief Financial Officer.

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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount of Bond</u></b>
David M. Salkin	Mayor	
Anthony J. Ammiano	Deputy Mayor	
Thomas Cook	Committeeman	
Eugene B. Golub	Committeeman	
Barbara McMorro	Committeewoman	
Teresa Warner	Clerk	
Theresa Patino	Deputy Clerk	
Peter Valesi	Administrator	
Robert F. Munoz, Esq.	Attorney	
Catherine M. Campbell	Chief Financial Officer, Treasurer	\$ (1)
Elizabeth Kiernan	Tax and Utility Collector	(1)
Thomas Foley	Magistrate	(1)
Denise Yuhas	Court Administrator	(1)

- (1) There was a "Public Employees' Blanket Bond" in the amount of \$1,000,000 carried by the Garden State Municipal Joint Insurance Fund as well as individual bonds of varying amounts carried by the Travelers Casualty and Surety Company.

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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-4**

**SCHEDULE OF CASH**

Balance December 31, 2013		\$ 29,043,878.08
Increased by Receipts:		
Taxes Receivable	\$ 130,610,223.04	
Revenue Accounts Receivable	13,860,684.84	
State of New Jersey (Ch. 20, P.L. 1971)	251,803.43	
Prepaid Taxes	556,403.60	
Tax Overpayments	96,605.94	
Interest and Costs on Taxes	270,724.48	
Prepaid Fees and Permits	31,322.02	
Miscellaneous Receivables	2,160.00	
Interfunds:		
Other Funds	35,448.52	
Grant Fund	366,392.55	
Due to State for Fees Collected	68,331.00	
Reserve for Prepaid Health Benefits	6,036.92	
Due to Freehold Shopping Center	4,109.00	
Due from Monmouth County	660.26	
Police Special Duty Service	607,535.12	
Miscellaneous Revenue not Anticipated	1,109,748.54	
Petty Cash	1,050.00	
	<hr/>	147,879,239.26
		<hr/>
		176,923,117.34
Decreased by Disbursements:		
Budget Appropriations	33,094,480.08	
Appropriation Reserves	671,696.21	
Accounts Payable	22,230.04	
Tax Overpayments Refunded	88,984.31	
Due to State for Fees Collected	89,444.00	
Special District Tax	2,267,794.00	
Municipal Open Space Tax	1,644,772.62	
County Taxes	18,107,200.07	
Local School District Taxes	62,239,178.52	
Regional School District Taxes	26,093,838.29	
Interfunds:		
Other Funds	139,002.38	
Grant Fund	303,453.72	
Refund of Prior Year Revenue	354.00	
Police Special Duty Service	478,614.75	
Due to Freehold Shopping Center	3,472.00	
Due to Freehold Borough	44,978.00	
Reserve for Tax Appeals	6,474.41	
Special Emergency Note Payable	280,000.00	
Petty Cash	1,050.00	
	<hr/>	145,577,017.40
		<hr/>
Balance December 31, 2014		\$ <u><u>31,346,099.94</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-5

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2013	2014 Levy	2013	Collected 2014	Due from State of New Jersey	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2014
2008	\$ 3,350.39						\$ 3,350.39	\$
2009	1,472.92			1,472.92				72.78
2011	1,042.43			969.65				
2012	2,266.03		29,144.17	2,266.03	(4,750.00)		20,862.63	.10
2013	1,163,003.41		29,144.17	1,117,746.51	(4,750.00)		24,213.02	72.88
2014	1,171,135.18	131,597,301.82	542,952.26	1,122,455.11	251,036.99	7,662.74	48,930.38	1,258,951.52
	\$ 1,171,135.18	\$ 131,597,301.82	\$ 572,096.43	\$ 130,610,223.04	\$ 246,286.99	\$ 7,662.74	\$ 73,143.40	\$ 1,259,024.40
Levy		\$ 131,569,659.15						
Delinquent Penalty		27,642.67						
Overpayments Applied			\$ 29,144.17					
Prepaid Taxes			542,952.26					
			\$ 572,096.43					
<b>Analysis of 2014 Property Tax Levy</b>								
Tax Yield:								
General Purpose Tax							\$ 128,785,701.49	
Special District Taxes							2,290,894.56	
Added and Omitted Taxes							493,063.10	\$ 131,569,659.15
Tax Levy:								
Regional School Tax (Abstract)							\$ 26,303,068.00	
Local School District Tax (Abstract)							63,136,292.00	
County Tax (Abstract)								
County Library Tax (Abstract)							\$ 16,167,643.46	
County Open Space Tax (Abstract)							1,030,259.87	
County Open Space Tax (Abstract)							881,554.55	
Due County for Added and Omitted Taxes							68,963.51	
Total County Taxes							18,148,421.39	
Special District Taxes							2,267,794.00	
Local Open Space Tax							1,644,772.62	
Local Tax for Municipal Purposes							19,617,449.96	
Add: Additional Tax Levied							451,861.18	
							20,069,311.14	\$ 131,569,659.15

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-6**

**SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2013	\$ 293,357.67
Increased by:	
Transfers from Taxes Receivable	<u>7,662.74</u>
Balance December 31, 2014	<u><u>\$ 301,020.41</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-7

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	<u>Balance Dec. 31, 2013</u>	<u>Accrued in 2014</u>	<u>Collected</u>	<u>Balance Dec. 31, 2014</u>
Licenses	\$			\$
Alcoholic Beverages		45,688.00	45,688.00	
Other		50,888.00	50,888.00	
Fees and Permits		236,786.38	236,786.38	
Uniform Construction Code Fees		1,221,438.00	1,221,438.00	
Municipal Court				
Fines and Costs	91,471.64	1,167,749.53	1,153,672.71	105,548.46
State Aid				
Energy Receipts Tax		7,418,109.00	7,418,109.00	
Garden State Trust		18,206.00	18,206.00	
Other				
Cable Television Franchise Fees		344,433.00	344,433.00	
Fund Balance - General Capital Fund		174,489.00	174,489.00	
Hotel/Motel Tax		146,344.17	146,344.17	
Interest on Investments and Deposits		299,236.64	299,236.64	
Shared Services Agreements:				
Automotive Services		36,273.68	36,273.68	
Board of Health		147,621.85	147,621.85	
Board of Health - Lead Inspector		5,012.96	5,012.96	
Bureau of Fire Prevention		4,880.00	4,880.00	
Diesel Fuel	23,747.92	290,095.02	313,842.94	
Information Technology - Freehold Borough	1,450.00	16,800.00	18,250.00	
Information Technology - Manalapan		97,392.00	97,392.00	
Operational Services - Keyport		26,040.00	26,040.00	
Operational Services - Freehold Regional		7,166.68	7,166.68	
Police Services	730.40	8,599.90	9,330.30	
Open Space - Debt Service		1,494,000.00	1,494,000.00	
Open Space - Park Maintenance		150,000.00	150,000.00	
Payments in Lieu of Taxes		96,393.11	96,393.11	
Reserve for Detention Basin		100,000.00	100,000.00	
Reserve for Municipal Alliance		15,378.50	15,378.50	
Uniform Fire Safety Act		83,097.99	83,097.99	
Verizon Franchise Fees		149,825.12	149,825.12	
	<u>\$ 117,399.96</u>	<u>\$ 13,851,944.53</u>	<u>\$ 13,863,796.03</u>	<u>\$ 105,548.46</u>
Receipts				
Interfunds			3,111.19	
			<u>\$ 13,860,684.84</u>	
			<u>\$ 13,863,796.03</u>	

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 1 of 5

**APPROPRIATIONS WITHIN CAPS**

	<b><u>Balance</u></b>	<b><u>Reserve for</u></b>	<b><u>Balance</u></b>	<b><u>Paid or</u></b>	<b><u>Balance</u></b>
	<b><u>Dec. 31, 2013</u></b>	<b><u>Encumbrances</u></b>	<b><u>After</u></b>	<b><u>Charged</u></b>	<b><u>Lapsed</u></b>
			<b><u>Transfers</u></b>		
Administrative and Executive					
Salaries and Wages	\$ 764.02	\$	\$ 764.02		\$ 764.02
Other Expenses	4,038.33		4,038.33		4,038.33
Public Information Office					
Salaries and Wages	580.00		580.00		580.00
Other Expenses	5,794.98		5,794.98		5,794.98
Purchasing Department					
Salaries and Wages	739.26		739.26		739.26
Other Expenses	9,326.77	1,496.59	10,823.36	1,549.59	9,273.77
Human Resources					
Salaries and Wages	313.55		313.55		313.55
Other Expenses	6,182.75	150.00	6,332.75	906.00	5,426.75
Mayor and Township Committee					
Salaries and Wages	519.39		519.39		519.39
Other Expenses	6,106.08	12,735.49	18,841.57	12,735.49	6,106.08
Municipal Clerk					
Salaries and Wages	3,489.36		3,489.36		3,489.36
Other Expenses	19,807.34	2,166.97	21,974.31	6,746.53	15,227.78
Elections					
Salaries and Wages	205.87		205.87		205.87
Other Expenses	5,807.92	4,000.00	9,807.92	4,000.00	5,807.92
Financial Administration					
Salaries and Wages	47.07		47.07		47.07
Other Expenses	8,201.25	25.00	8,226.25	4,094.20	4,132.05
Information Technology					
Salaries and Wages	134.19		134.19		134.19
Other Expenses	21,851.99	16,775.53	38,627.52	17,659.53	20,967.99
Revenue Administration (Collection of Taxes)					
Salaries and Wages	903.01		903.01		903.01
Other Expenses	1,476.09		1,476.09		1,476.09

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**SCHEDULE OF APPROPRIATION RESERVES**

Exhibit A-8

Sheet 2 of 5

	<b><u>Balance Dec. 31, 2013</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>
Assessment of Taxes	\$ 320.39		\$ 320.39		\$ 320.39
Salaries and Wages	17,762.79	8,500.00	32,262.79	23,253.65	9,009.14
Other Expenses					
Legal Services and Costs					
Other Expenses	240,340.10		234,340.10	7,012.91	227,327.19
Affordable Housing Services and Costs					
Other Expenses	22,352.75	3,150.00	25,502.75	10,261.97	15,240.78
Engineering Services and Costs					
Salaries and Wages	48,495.97		48,495.97		48,495.97
Other Expenses	32,483.80	176.64	32,660.44	182.64	32,477.80
Historical Preservation					
Other Expenses	1,527.32		1,527.32		1,527.32
Municipal Land Use Law					
Planning Board					
Salaries and Wages	51.64		51.64		51.64
Other Expenses	14,875.00	97.00	14,972.00	1,091.25	13,880.75
Board of Adjustment					
Salaries and Wages	717.96		717.96		717.96
Other Expenses	7,449.87		7,449.87	350.00	7,099.87
Insurance					
Group Insurance	173,539.20		226,403.11	224,380.42	2,022.69
Other Insurance	604.55	52,863.91	604.55		604.55
Workmen's Compensation	85.60		85.60		85.60
Health Benefit Waiver	200.00		200.00		200.00
Code Enforcement					
Salaries and Wages	193.15		193.15		193.15
Other Expenses	200.00		200.00		200.00
Police					
Salaries and Wages	356,634.74		356,634.74	(11,775.61)	368,410.35
Other Expenses	72,321.80	25,587.93	97,909.73	25,458.35	72,451.38
Office of Emergency Management					
Salaries and Wages	357.58		357.58		357.58
Other Expenses	500.00		500.00		500.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**SCHEDULE OF APPROPRIATION RESERVES**

Exhibit A-8

Sheet 3 of 5

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Bureau of Fire Protection	\$ 80.78	\$	\$ 80.78	\$	\$ 80.78
Salaries and Wages	725.00		725.00		725.00
Other Expenses					
Uniform Fire Safety Act	285.33		285.33		285.33
Salaries and Wages	1,408.17		1,408.17		1,408.17
Municipal Prosecutor	1,500.00		1,500.00		1,500.00
Salaries and Wages	10,891.73		10,891.73	7,338.27	3,553.46
Other Expenses	67,565.50	35,602.03	103,167.53	28,169.45	74,998.08
Road Repair and Maintenance	64,700.54		64,700.54		64,700.54
Salaries and Wages	87,644.53	11,207.70	98,852.23	4,405.00	94,447.23
Other Expenses					
Snow Removal	2,274.80		2,274.80		2,274.80
Salaries and Wages	19,472.00		19,472.00	100.00	19,372.00
Other Expenses					
Shade Tree Commission	3,138.38		3,138.38		3,138.38
Salaries and Wages	55,745.74	29,538.10	85,283.84	46,611.10	38,672.74
Other Expenses					
Recycling	1,254.99		1,254.99		1,254.99
Salaries and Wages	24,840.34	25,018.45	49,858.79	13,146.48	36,712.31
Other Expenses					
Public Building and Grounds	1,317.33		1,317.33		1,317.33
Salaries and Wages	83,937.35	39,032.11	122,969.46	32,606.78	90,362.68
Other Expenses					
Equipment Maintenance and Repair	23,473.94		23,473.94		23,473.94
Salaries and Wages					
Other Expenses					
Condominium Services Act	5,338.21		5,338.21	(1,070.00)	6,408.21
Board of Health	35,178.75	2,013.99	37,192.74	20,891.31	16,301.43
Salaries and Wages					
Other Expenses					
Environmental Commission	400.00		400.00		400.00
Other Expenses					

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 4 of 5

	<b><u>Balance Dec. 31, 2013</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>
Board of Recreation Commissioners					
Salaries and Wages	\$ 37,983.72		\$ 37,983.72		\$ 37,983.72
Other Expenses	39.16	23,006.27	23,045.43	21,007.33	2,038.10
Senior Center					
Salaries and Wages	6,430.63		6,430.63		6,430.63
Other Expenses	136.65	2,004.75	2,141.40	2,133.90	7.50
Municipal Court					
Salaries and Wages	8,306.61		8,306.61		8,306.61
Other Expenses	3,670.03	706.00	4,376.03	1,518.08	2,857.95
State Uniform Construction Code Official					
Salaries and Wages	6,537.04		6,537.04		6,537.04
Other Expenses	10,196.84	2,042.00	12,238.84	2,261.31	9,977.53
Utilities:					
Electricity	121,352.93	12,072.42	133,425.35	32,516.65	100,908.70
Street Lighting	137,925.97	144.44	138,070.41	8,057.39	130,013.02
Telephone	28,513.80	193.55	28,707.35	3,901.35	24,806.00
Natural Gas	40,461.79	390.16	40,851.95	9,187.90	31,664.05
Water and Sewer	42,080.86		42,080.86	266.10	41,814.76
Fuel Oil and Gasoline	139,935.57	70,425.14	210,360.71	60,413.84	149,946.87
Contingent	1.00		1.00		1.00
Contribution to:					
Public Employees Retirement System	1,588.06		1,588.06		1,588.06
Social Security System	67,563.76		67,563.76		67,563.76
Unemployment Compensation Insurance	25,000.00		25,000.00		25,000.00
Defined Contribution Retirement Program	78.75	140.05	218.80	140.05	78.75
Sick Leave Trust Account	35,000.00		35,000.00	35,000.00	
Total Appropriations within Caps	<u>2,291,280.01</u>	<u>381,262.22</u>	<u>2,672,542.23</u>	<u>656,509.21</u>	<u>2,016,033.02</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 5 of 5

**APPROPRIATIONS OUTSIDE CAPS**

	<b><u>Balance Dec. 31, 2013</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>
Length of Service Awards Program (LOSAP)	\$ 25,000.00		\$ 25,000.00	\$ 18,687.50	\$ 6,312.50
Local Matching Fund for Grants	500.00		500.00		500.00
Shared Services Agreements					
Bureau of Fire Prevention	95.60		95.60		95.60
Salaries and Wages					
Board of Health					
Salaries and Wages	3,087.16		3,087.16		3,087.16
Other Expenses	18,512.20	1,345.00	19,857.20	7,611.00	12,246.20
Road Repairs and Maintenance					
Fuel Oil					
Other Expenses	5,975.35		5,975.35		5,975.35
Equipment Maintenance					
Other Expenses	28,723.54		28,723.54		28,723.54
Police Special Services					
Salaries and Wages	413.25		413.25		413.25
Information Technology					
Salaries and Wages					
Manalapan Township	54.27		54.27		54.27
Freehold Borough	3,177.16		3,177.16		3,177.16
Dispatch Services					
County of Monmouth					
Other Expenses	.39		.39		.39
Operational Services					
Salaries and Wages	1,158.35		1,158.35		1,158.35
Appropriations outside Caps	86,697.27	1,345.00	88,042.27	26,298.50	61,743.77
<b>Total General Appropriations</b>	<b>\$ 2,377,977.28</b>	<b>\$ 382,607.22</b>	<b>\$ 2,760,584.50</b>	<b>\$ 682,807.71</b>	<b>\$ 2,077,776.79</b>
Disbursed					
Accounts Payable				\$ 671,696.21	
				11,111.50	
				<b>\$ 682,807.71</b>	

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-9**

**SCHEDULE OF COUNTY TAXES PAYABLE**

Balance December 31, 2013		\$	27,742.19
2014 Tax Levy:			
County Tax	\$	16,167,643.46	
County Library Tax		1,030,259.87	
County Open Space Tax		881,554.55	
County Share of Added and Omitted Taxes		<u>68,963.51</u>	
			<u>18,148,421.39</u>
			<u>18,176,163.58</u>
Decreased by:			
Disbursements			<u>18,107,200.07</u>
Balance December 31, 2014		\$	<u><u>68,963.51</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-10**

**SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE**

Balance December 31, 2013:		
School Tax Payable	\$ 3,728,282.00	
School Tax Deferred	<u>25,566,589.00</u>	
		\$ 29,294,871.00
Increased by:		
Levy - School Year July 1, 2014 to June 30, 2015		<u>63,136,292.00</u>
		<u>92,431,163.00</u>
Decreased by:		
Disbursements		<u>62,239,178.52</u>
Balance December 31, 2014:		
School Tax Payable	4,625,395.48	
School Tax Deferred	<u>25,566,589.00</u>	
		\$ <u><u>30,191,984.48</u></u>
2014 Liability for Local District School Tax:		
Tax Paid		\$ 62,239,178.52
Tax Payable December 31, 2014		<u>4,625,395.48</u>
		<u>66,864,574.00</u>
Less: Tax Payable December 31, 2013		<u>3,728,282.00</u>
Amount Charged to 2014 Operations		\$ <u><u>63,136,292.00</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-11**

**SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX PAYABLE**

Balance December 31, 2013:	
School Tax Payable	\$ 12,551,115.29
Increased by:	
Levy - School Year July 1 2014 to June 30, 2015	26,303,068.00
	<u>38,854,183.29</u>
Decreased by:	
Disbursements	<u>26,093,838.29</u>
Balance December 31, 2014:	
School Tax Payable	\$ <u><u>12,760,345.00</u></u>
2014 Liability for Local District School Tax:	
Tax Paid	\$ 26,093,838.29
Tax Payable December 31, 2014	<u>12,760,345.00</u>
	<u>38,854,183.29</u>
Less: Tax Payable December 31, 2013	<u>12,551,115.29</u>
Amount Charged to 2014 Operations	\$ <u><u>26,303,068.00</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-12**

**SCHEDULE OF INTERFUNDS**

	<b>Total (Memo Only)</b>	<b>Animal Control Trust Fund</b>	<b>Other Trust Fund</b>	<b>General Capital Fund</b>
Balance December 31, 2013 - Due From/(To)	\$ 711.32	\$ 6,739.29	\$ (7,865.91)	\$ 1,837.94
Increased by:				
Disbursements	139,002.38		103,302.38	35,700.00
Excess Statutory of Animal Control Reserve	14,945.80	14,945.80		
Escrow Interest	3,111.19		3,111.19	
Total Increases	<u>157,059.37</u>	<u>14,945.80</u>	<u>106,413.57</u>	<u>35,700.00</u>
Total Increases and Balances	<u>157,770.69</u>	<u>21,685.09</u>	<u>98,547.66</u>	<u>37,537.94</u>
Decreased by:				
Receipts	<u>35,448.52</u>	<u>6,739.29</u>	<u>26,871.29</u>	<u>1,837.94</u>
Balance December 31, 2014 - Due From/(To)	\$ 122,322.17	\$ 14,945.80	\$ 71,676.37	\$ 35,700.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-13**

**SCHEDULE OF INTERFUND**

**GRANT FUND**

Balance December 31, 2013 - Due To			\$ 232,950.49
Increased by:			
Deposited in Current Fund:			
Grants Receivable	\$ 264,069.73		
Unappropriated Reserves	<u>102,322.82</u>		
		\$ 366,392.55	
Cancelled Grants Receivable		12,973.01	
2014 Budget Appropriations		<u>475,772.59</u>	
			<u>855,138.15</u>
			1,088,088.64
Decreased by:			
Cancelled Appropriated Reserves		33,618.77	
2014 Anticipated Revenue		430,394.09	
Disbursed in Current Fund		<u>303,453.72</u>	
			<u>767,466.58</u>
Balance December 31, 2014 - Due To			\$ <u><u>320,622.06</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-14

**SCHEDULE OF GRANTS RECEIVABLE**

**GRANT FUND**

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Anticipated Revenue</u>	<u>2014 Anticipated Realized</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2014</u>
State Grants:					
Alliance to Prevent Alcoholism and Drug Abuse	\$ 20,894.26	\$ 61,515.00	\$ 34,053.29	\$ 7,345.97	\$ 41,010.00
Body Armor Fund		7,578.24	7,578.24		
Clean Communities Program		66,517.78	66,517.78		
Drunk Driving Enforcement Fund		7,377.04	7,377.04		
NJ OEM Performance Grant	14,844.62		14,844.62		
Recycling Tonnage Grant		74,859.28	74,859.28		
Safe and Secure Communities Program		60,000.00			60,000.00
Safe Corridors	130,131.44	129,683.00	129,954.40	177.04	129,683.00
Federal Grants:					
Bulletproof Vests	12,447.50	6,363.75	9,736.35		9,074.90
Click It or Ticket		4,000.00	3,250.00	750.00	
Drive Sober or Get Pulled Over	4,400.00	12,500.00	4,700.00	4,700.00	7,500.00
	<u>\$ 182,717.82</u>	<u>\$ 430,394.09</u>	<u>\$ 352,871.00</u>	<u>\$ 12,973.01</u>	<u>\$ 247,267.90</u>
Interfund - Current Fund					
Unappropriated Grants			\$ 264,069.73		
			<u>88,801.27</u>		
			<u>\$ 352,871.00</u>		

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-15

**SCHEDULE OF APPROPRIATED RESERVES**

Sheet 1 of 2

**GRANT FUND**

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Transferred</u> <u>from</u> <u>2014 Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
State Grants:						
Alcohol Education and Rehabilitation						
2012 Grant Award	\$ 161.89	\$	\$	\$	\$	\$ 161.89
Alliance to Prevent Alcoholism and Drug Abuse						
2011 Grant Award	617.76				617.76	
2012 Grant Award	768.25				768.25	
2013 Grant Award	6,881.43	6,034.54	25,631.00	10,066.58	2,849.39	
2014 Grant Award			51,262.50	21,134.42	4,496.58	
2014-15 Grant Award				13,371.29		37,891.21
Body Armor Replacement						
2013 Grant Award	5,841.51			5,841.51		
2014 Grant Award			7,578.24			7,578.24
Clean Communities Program						
2011 Grant Award		354.18		354.18		
2012 Grant Award		824.22		824.22		
2013 Grant Award		2,856.59		40,883.83		10,300.54
2014 Grant Award	48,327.78		66,517.78	23,548.88		42,968.90
Drunk Driving Enforcement Fund						
2008 Grant Award	1,191.05			1,191.05		
2009 Grant Award	297.05			297.05		
2011 Grant Award	41.03			41.03		
2013 Grant Award	10,090.43			3,486.77		6,603.66
2014 Grant Award			7,377.04			7,377.04
NJ OEM Performance Grant						
2012 Grant Award	14,844.62				14,844.62	
Recycling Tonnage Grant						
2010 Grant Award	2,000.00			2,000.00		64,517.57
2011 Grant Award	81,698.54			17,180.97		63,692.37
2012 Grant Award	63,470.04	5,500.00		5,277.67		74,859.28
2014 Grant Award			74,859.28			

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

Exhibit A-15

**SCHEDULE OF APPROPRIATED RESERVES**

Sheet 2 of 2

**GRANT FUND**

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Transferred</u> <u>from</u> <u>2014 Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
State Grants (Continued):						
Safe and Secure Communities Program						
2011-12 Grant Award	\$ 929.43	\$	\$	\$	\$ 929.43	\$
2013 Grant Award	991.40				991.40	
2014 Grant Award			90,000.00	89,789.16		210.84
Safe Corridors						
2011 Grant Award	18.77				18.77	
2013 Grant Award	2.04	60,516.42		60,341.42	177.04	
2014 Grant Award			129,683.00	129,673.42		9.58
Tobacco Age-of-Sale Enforcement Program						
2009 Grant Award	2,160.00				2,160.00	
Other:						
NJPCA/DHSS Community Funding		6,391.00		6,391.00		
Rutgers Quality Improvement Mini-Grant	315.53				315.53	
Federal Grants:						
Bulletproof Vests	541.54		6,363.75	4,668.99		541.54
2012 Grant Award						1,694.76
2014 Grant Award			4,000.00	3,250.00	750.00	
Click It or Ticket						
2014 Grant Award						
Drive Sober or Get Pulled Over						
2013 Grant Award	3,200.00		12,500.00	1,725.00	1,475.00	
2014 Grant Award				2,775.00	3,225.00	6,500.00
	<u>\$ 244,390.09</u>	<u>\$ 82,476.95</u>	<u>\$ 475,772.59</u>	<u>\$ 444,113.44</u>	<u>\$ 33,618.77</u>	<u>\$ 324,907.42</u>
Interfund - Current Fund						
Reserve for Encumbrances				\$ 303,453.72		
				<u>140,659.72</u>		
				<u>\$ 444,113.44</u>		

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**CURRENT FUND**

**Exhibit A-16**

**SCHEDULE OF UNAPPROPRIATED RESERVES**

**GRANT FUND**

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>Received</u>	<u>Realized as Anticipated Revenue</u>	<u>Balance Dec. 31, 2014</u>
State Grants:				
Body Armor Replacement	\$ 7,578.24	\$ 5,898.49	\$ 7,578.24	\$ 5,898.49
Recycling Tonnage Grant	74,859.28	96,424.33	74,859.28	96,424.33
Federal Grant:				
Bulletproof Vests	6,363.75		6,363.75	
	<u>\$ 88,801.27</u>	<u>\$ 102,322.82</u>	<u>\$ 88,801.27</u>	<u>\$ 102,322.82</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**TRUST FUND**

**Exhibit B-1**

**SCHEDULE OF CASH - TREASURER**

	<b><u>Animal Control Trust Fund</u></b>	<b><u>Other Trust Fund</u></b>
Balance December 31, 2013	\$ 72,709.49	\$ 9,530,513.40
Increased by Receipts:		
Due to State of New Jersey	\$ 2,956.80	
Licenses and Other Fees	13,291.20	
Prepaid Licenses	8,428.00	
Interfunds		4,814,259.04
Miscellaneous Reserves		<u>11,892,574.99</u>
	<u>24,676.00</u>	16,706,834.03
	97,385.49	<u>26,237,347.43</u>
Decreased by Disbursements:		
Due to State of New Jersey	2,955.60	
Animal Control Trust Fund Expenditures	5,938.00	
Interfunds	6,739.29	4,734,716.76
Miscellaneous Reserves		<u>10,758,221.83</u>
	<u>15,632.89</u>	15,492,938.59
Balance December 31, 2014	\$ <u>81,752.60</u>	\$ <u>10,744,408.84</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**ANIMAL CONTROL TRUST FUND**

**Exhibit B-2**

**SCHEDULE OF DUE TO STATE OF NEW JERSEY**

**DEPARTMENT OF HEALTH**

Increased by:		
Fees Collected		\$ 2,956.80
Decreased by:		
Payments to State of New Jersey		<u>2,955.60</u>
Balance December 31, 2014		\$ <u><u>1.20</u></u>

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL**

**TRUST FUND EXPENDITURES**

**Exhibit B-3**

Balance December 31, 2013		\$ 50,917.40
Increased by:		
2014 License and Other Fees Collected	\$ 13,291.20	
Prepaid Licenses Applied	<u>9,819.60</u>	
		<u>23,110.80</u>
Decreased by:		<u>74,028.20</u>
Expenditures Under R.S. 4:19-15.11	5,938.00	
Statutory Excess Due Current Fund	<u>14,945.80</u>	
		<u>20,883.80</u>
Balance December 31, 2014		\$ <u><u>53,144.40</u></u>

**Dog License Fees Collected**

<u>Year</u>	<u>Amount</u>
2012	\$ <u>26,764.20</u>
2013	<u>26,380.20</u>
	\$ <u><u>53,144.40</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**ANIMAL CONTROL TRUST FUND**

**Exhibit B-4**

**SCHEDULE OF INTERFUND - CURRENT FUND**

Balance December 31, 2013 - Due To	\$ 6,739.29
Increased by:	
Statutory Excess	<u>14,945.80</u>
	21,685.09
Decreased by:	
Disbursements	<u>6,739.29</u>
Balance December 31, 2014 - Due To	\$ <u><u>14,945.80</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**OTHER TRUST FUND**

**Exhibit B-5**

**SCHEDULE OF RESERVES AND SPECIAL DEPOSITS**

	<b>Balance Dec. 31, 2013</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Dec. 31, 2014</b>
Reserve for:				
Arboretum	\$ 26,986.73	\$ 2,300.00	\$ 1,142.45	\$ 28,144.28
Board of Recreation Commissioners	973,321.01	1,050,128.28	960,539.00	1,062,910.29
Cash Bonds		1,000.00	1,000.00	
Construction Code Dedicated Penalties	40,650.92	19,230.00	373,751.98	59,880.92
Deposits for Redemption of Tax Sale Certificates	43,257.05	330,494.93		
Detention Project	1,201,162.85		100,000.00	1,101,162.85
Escrow Deposits	1,474,770.81	2,279,571.76	609,140.90	3,145,201.67
Historical Preservation	600.00	490.00		1,090.00
Monument Bonds	875.00			875.00
Mount Laurel Housing Trust	1,001,480.92	172,481.51	303,804.10	870,158.33
Municipal Drug Alliance Fund	19,016.35	24,470.00	31,651.35	11,835.00
Open Space	205,951.24	1,694,772.62	1,668,750.00	231,973.86
Parking Offenses Adjudication Act	3,676.60	1,200.00	2,110.00	2,766.60
Premiums Received at Tax Sale	1,878,000.00	233,100.00	1,460,200.00	650,900.00
Public Defender	6,049.70	31,618.25	36,456.43	1,211.52
Public Safety Donation	16,425.15	2,400.00		18,825.15
Relocation	7,502.00			7,502.00
Road Projects	379,754.26	23,165.00		402,919.26
Self Insurance		4,961,770.00	4,707,582.67	254,187.33
Shade Tree Donations	71,489.98	46,345.00	27,205.00	90,629.98
Shade Tree Escrow	88,600.00	5,880.00		94,480.00
Sick Leave Trust	154,677.18	105,000.00	42,775.06	216,902.12
Sidewalks and Curbs	231,430.90	72,727.20	34,389.29	269,768.81
Snow Removal	1,428,934.11	786,595.72	285,903.47	1,929,626.36
Special Law Enforcement Fund	38,149.24	7,171.20	9,834.51	35,485.93
Street Opening Bonds	11,760.00	19,020.60	13,000.00	17,780.60
Unemployment Trust	154,423.79	20,642.92	32,937.92	142,128.79
Uniform Fire Safety Act Penalty Monies 2:12	34,603.26		24,889.20	9,714.06
Uniform Fire Safety Act Penalty Monies 2:12A	44,830.26	1,000.00	31,158.50	14,671.76
	<b>\$ 9,538,379.31</b>	<b>\$ 11,892,574.99</b>	<b>\$ 10,758,221.83</b>	<b>\$ 10,672,732.47</b>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**OTHER TRUST FUND**

**Exhibit B-6**

**SCHEDULE OF INTERFUND - CURRENT FUND**

Balance December 31, 2013 - Due From	\$ 7,865.91
Increased by:	
Disbursements	<u>4,734,716.76</u>
	4,742,582.67
Decreased by:	
Receipts	<u>4,814,259.04</u>
Balance December 31, 2014 - Due To	\$ <u><u>(71,676.37)</u></u>

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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-2**

**SCHEDULE OF CASH - TREASURER**

Balance December 31, 2013		\$ 8,740,465.17
Increased by Receipts:		
Premiums on Sale of Notes	\$ 91,425.00	
Accounts Receivable:		
Offset with Reserves	17,000.00	
Bond Anticipation Notes	3,690,700.00	
Grants Receivable	50,000.00	
Reserve for Debt Service	35,545.18	
Budget Appropriations:		
Capital Improvement Fund	<u>150,000.00</u>	
		<u>4,034,670.18</u>
		12,775,135.35
Decreased by Disbursements:		
Capital Fund Balance to Current Fund	174,489.00	
Interfunds	1,837.94	
Improvement Authorizations	<u>2,405,749.22</u>	
		<u>2,582,076.16</u>
Balance December 31, 2014		\$ <u><u>10,193,059.19</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-3

**ANALYSIS OF CASH**

	Balance		Receipts		Disbursements		Transfers		Balance Dec. 31, 2014	
	Dec. 31, 2013		Notes Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 1,341,914.49	\$							\$ 1,275,850.49	
Capital Improvements Fund	721,335.54	150,000.00					479,000.00	323,189.87	715,525.41	
Down Payments on Improvements	95,737.00								95,737.00	
Interfund - Current Fund	1,837.94								35,700.00	
Grant Receivable	(134,434.04)			50,000.00		1,837.94	75,000.00		(159,434.04)	
Accounts Receivable Offset with Reserves				17,000.00			17,000.00			
Reserve for:										
Improvements	21,376.00								21,376.00	
Debt Service	635.54						35,700.00		480.72	
Historical Preservation	15,590.20			35,545.18					15,590.20	
<b>Improvement Authorizations</b>										
<b>Ordinance Number</b>	<b>Improvement Description</b>									
97-01	Renovations to Municipal Complex									
97-11	Various Improvements		12,857.45							12,857.45
98-08	Various Improvements		7,505.64							7,505.64
99-09	Various Improvements		3,836.88							3,836.88
00-10	Various Improvements		79.12							79.12
01-13	Various Improvements		1,544.90							1,544.90
02-13	Various Improvements		277.46							277.46
03-09	Various Improvements		234,627.19							228,346.63
04-11	Various Improvements		3,848.29							3,848.29
05-19	Various Improvements		43,136.36							81,765.06
05-35	Various Improvements		462.94							462.94
06-21	Development of Park Lands		1,764.95							(4,440.28)
07-14, 08-29	Various Improvements		100,230.67							84,270.17
09-16	Various Improvements		184,265.76							184,265.76
10-21	Various Improvements		335,386.23							321,803.28
11-20	Various Improvements		214,829.67							165,165.80
12-12	Various Improvements		527,101.62							506,566.59
12-19	Various Improvements		2,813,983.62							1,967,105.27
13-35	Various Improvements		1,451,561.75							1,073,542.37
	Emergency Replacement of a Culvert on Stonehurst Boulevard		739,172.00							
14-05	Various Improvements									3,553,430.08
			3,630,500.00					554,000.00		
			\$ 3,690,700.00	\$ 343,970.18	\$ 2,405,749.22	\$ 176,326.94	\$ 929,889.87	\$ 929,889.87	\$ 10,193,059.19	

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-4**

**SCHEDULE OF DEFERRED CHARGES TO**

**FUTURE TAXATION - FUNDED**

Balance December 31, 2013		\$ 26,793,450.59
Decreased by:		
2014 Budget Appropriations:		
Principal on Serial Bonds	\$ 3,125,000.00	
Green Trust Loan	<u>403,045.14</u>	
		<u>3,528,045.14</u>
Balance December 31, 2014		<u>\$ 23,265,405.45</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-5**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

**Sheet 1 of 2**

Ordinance Number	Improvement Description	Balance		2014 Authorizations	Budget Appropriations and Reserve	Balance Dec. 31, 2014	Bond		Analysis of Balance Dec. 31, 2014	
		Dec. 31, 2013	Dec. 31, 2014				Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	
97-01	Renovations to Municipal Complex	\$ 215,000.00	\$ 215,000.00			\$ 215,000.00				\$ 215,000.00
97-11	Various Improvements	78,818.70	78,818.70			78,818.70				78,818.70
98-08	Various Improvements	1,610,755.00	1,610,755.00			1,610,755.00				1,610,755.00
99-09	Various Improvements	176,575.00	176,575.00			176,575.00				176,575.00
00-10	Various Improvements	1,104,000.00	1,104,000.00			1,104,000.00				1,104,000.00
01-13	Various Improvements	622,650.00	622,650.00			622,650.00				622,650.00
02-13	Various Improvements	1,674,150.00	1,618,150.00		56,000.00	1,618,150.00	394,000.00			1,224,150.00
03-09	Various Improvements	769,575.00	758,775.00		10,800.00	758,775.00	223,200.00			535,575.00
04-11	Various Improvements	723,930.00	678,730.00		45,200.00	678,730.00	203,000.00			475,730.00
05-19	Various Improvements	931,525.00	931,525.00			931,525.00				931,525.00
05-35	Development of Park Lands	490,000.00	490,000.00			490,000.00			4,440.28	485,559.72
06-21	Various Improvements	853,075.00	840,975.00		12,100.00	840,975.00	274,900.00			566,075.00
07-14, 08-29	Various Improvements	1,490,915.00	1,463,915.00		27,000.00	1,463,915.00	696,000.00			767,915.00
09-16	Various Improvements	1,671,000.00	1,631,400.00		39,600.00	1,631,400.00	533,400.00			1,098,000.00
10-21	Various Improvements	1,777,000.00	1,777,000.00			1,777,000.00	235,000.00			1,542,000.00
11-20	Various Improvements	1,345,000.00	1,345,000.00			1,345,000.00	395,000.00			950,000.00
12-12	Various Improvements	5,041,555.00	5,041,555.00			5,041,555.00	3,515,000.00			1,526,555.00
12-19	Various Improvements	1,400,000.00	1,400,000.00			1,400,000.00	1,400,000.00			
14-05	Various Improvements		7,896,000.00	7,896,000.00		7,896,000.00	3,630,500.00			4,265,500.00
		\$ 21,975,523.70	\$ 29,680,823.70	\$ 7,896,000.00	\$ 190,700.00	\$ 29,680,823.70	\$ 11,500,000.00		\$ 4,440.28	\$ 18,176,383.42

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-5

**SCHEDULE OF DEFERRED CHARGES TO**

Sheet 2 of 2

**FUTURE TAXATION - UNFUNDED**

**Analysis of  
Balance  
Dec. 31, 2014  
Unexpended  
Improvement  
Authorizations  
\$ 26,234,926.13**

Improvement Authorizations Unfunded  
Less: Unexpended Proceeds of Bond Anticipation Notes:

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>		
02-13	Various Improvements	\$ 228,346.63	
03-09	Various Improvements	3,848.29	
04-11	Various Improvements	81,765.06	
06-21	Various Improvements	84,270.17	
07-14, 08-29	Various Improvements	184,265.76	
09-16	Various Improvements	321,803.28	
10-21	Various Improvements	165,165.80	
11-20	Various Improvements	395,000.00	
12-12	Various Improvements	1,967,105.27	
12-19	Various Improvements	1,073,542.37	
14-05	Various Improvements	<u>3,553,430.08</u>	
			<u>8,058,542.71</u>
			<u>\$ 18,176,383.42</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-6

**SCHEDULE OF GENERAL SERIAL BONDS**

Sheet 1 of 2

<b><u>Improvement Description</u></b>	<b><u>Date of Issue</u></b>	<b><u>Original Issue</u></b>	<b><u>Maturities of Bonds Outstanding Dec. 31, 2014</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2013</u></b>	<b><u>Paid by Budget Appropriation</u></b>	<b><u>Balance Dec. 31, 2014</u></b>
General Improvement Bonds	10/14/2004	\$ 10,790,000			\$ 850,000.00	\$ 850,000.00	\$
Open Space Bonds	10/14/2004	1,210,000			60,000.00	60,000.00	
General Improvement Bonds	7/26/2007	6,160,000					
Open Space Bonds	7/26/2007	4,340,000	7/01/2015-16 \$ 480,000	4.125%	4,190,000.00	480,000.00	3,710,000.00
			7/01/2017-21 550,000	4.250%			
			7/01/2015-16 290,000	4.125%			
			7/01/2017-21 290,000	4.250%			
			7/01/2022 280,000	4.250%	2,600,000.00	290,000.00	2,310,000.00
General Obligation Bonds	6/01/2008	5,944,000	12/01/2015 372,000	5.000%			
			12/01/2016 391,000	4.000%			
			12/01/2017 407,000	4.000%			
			12/01/2018 423,000	5.250%			
			12/01/2019 445,000	4.500%			
			12/01/2020 465,000	4.500%			
			12/01/2021 486,000	5.000%			
			12/01/2022 510,000	5.250%			
			12/01/2023 537,000	5.000%	4,391,000.00	355,000.00	4,036,000.00
General Obligation Refunding Bonds	12/16/2009	5,310,000	9/15/2015 655,000	4.000%			
			9/15/2016 700,000	4.000%			
Open Space Refunding Bonds	12/16/2009	475,000	9/15/2015 45,000	4.000%	2,015,000.00	660,000.00	1,355,000.00
			9/15/2016 40,000	4.000%			
			9/15/2017-19 40,000	5.000%			
			9/15/2020 45,000	3.000%			
			9/15/2021 40,000	4.000%	335,000.00	45,000.00	290,000.00
General Obligation Refunding Bonds	10/01/2012	3,800,000	10/01/2015 870,000	3.000%			
			10/01/2016 860,000	3.000%			
			10/01/2017 1,000,000	3.000%			
			10/01/2018 990,000	3.000%	3,740,000.00	20,000.00	3,720,000.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-6

**SCHEDULE OF GENERAL SERIAL BONDS**

Sheet 2 of 2

<b><u>Improvement Description</u></b>	<b><u>Date of Issue</u></b>	<b><u>Original Issue</u></b>	<b><u>Maturities of Bonds</u></b>		<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2013</u></b>	<b><u>Paid by Budget Appropriation</u></b>	<b><u>Balance Dec. 31, 2014</u></b>
			<b><u>Outstanding Dec. 31, 2014</u></b>	<b><u>Amount</u></b>				
Open Space Refunding Bonds	10/01/2012	\$ 630,000	\$	10/01/2015	3.000%			
				10/1/2016-20	3.000%			
				10/1/2021-22	3.500%			
				10/1/2023-24	3.500%	\$ 620,000.00	\$ 5,000.00	\$ 615,000.00
				12/01/2015	2.000%			
				12/01/2016	2.000%			
				12/01/2017	3.000%			
				12/01/2018	3.000%			
				12/01/2019	3.000%			
				12/01/2020	3.000%			
				12/01/2021	3.000%			
				12/01/2022	3.000%			
				12/01/2023	3.000%			
				12/01/2024	3.000%			
				12/01/2025	3.000%			
				12/01/2026	3.250%			
						\$ 5,640,000.00	\$ 360,000.00	\$ 5,280,000.00
						\$ 24,441,000.00	\$ 3,125,000.00	\$ 21,316,000.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-7

**SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE**

Sheet 1 of 3

<b>Improvement Description</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Maturities of Loan</b>		<b>Interest Rate</b>	<b>Balance Dec. 31, 2013</b>	<b>Paid by Budget Appropriation</b>	<b>Balance Dec. 31, 2014</b>
			<b>Outstanding Date</b>	<b>Amount</b>				
Open Space Acquisition	November 1996	\$ 2,000,000.00	See Amortization Statement		2.00%	\$ 301,801.84	\$ 118,922.00	\$ 182,879.84
Open Space Acquisition	October 1997	965,000.00	See Amortization Statement		2.00%	229,576.27	55,692.33	173,883.94
Park Development	October 1998	500,000.00	See Amortization Statement		2.00%	136,034.76	29,186.00	106,848.76
Open Space Acquisition	November 2000	2,250,000.00	See Amortization Statement		2.00%	774,795.65	134,638.34	640,157.31
Opatut Park Development	October 2005	400,000.00	See Amortization Statement		2.00%	254,401.61	19,884.14	234,517.47
Opatut Park Development	September 2007	600,000.00	See Amortization Statement		2.00%	429,029.35	30,532.99	398,496.36
Opatut Park Development	March 2008	300,000.00	See Amortization Statement		2.00%	226,811.11	14,189.34	212,621.77
						<u>\$ 2,352,450.59</u>	<u>\$ 403,045.14</u>	<u>\$ 1,949,405.45</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-7**

**SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE**

**Sheet 2 of 3**

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
January 2015	\$ 43,076.81	\$ 2,807.33
February 2015	83,826.49	10,386.54
April 2015	10,091.47	2,345.17
May 2015	7,201.26	2,126.22
June 2015	60,354.39	1,828.80
July 2015	43,507.58	2,376.56
August 2015	84,664.75	9,548.28
October 2015	10,192.38	2,244.26
November 2015	7,273.27	2,054.21
December 2015	60,957.94	1,225.25
January 2016	43,942.66	1,941.48
February 2016	85,511.40	8,701.63
April 2016	10,294.30	2,142.34
May 2016	7,346.01	1,981.47
June 2016	61,567.52	615.68
July 2016	44,382.08	1,502.06
August 2016	86,366.52	7,846.51
October 2016	10,397.25	2,039.39
November 2016	7,419.47	1,908.01
January 2017	44,825.90	1,058.24
February 2017	87,230.18	6,982.85
April 2017	10,501.22	1,935.42
May 2017	7,493.66	1,833.82
July 2017	15,567.83	312.92
August 2017	88,102.48	6,110.55
October 2017	10,606.23	1,830.41
November 2017	7,568.60	1,758.88
January 2018	45,429.84	454.30
February 2018	88,983.51	5,229.52
April 2018	10,712.29	1,724.35
May 2018	7,644.28	1,683.20
August 2018	89,873.35	4,339.68
October 2018	10,819.42	1,617.22
November 2018	7,720.73	1,606.75
February 2019	90,772.07	3,440.96
April 2019	10,927.61	1,509.03
May 2019	7,797.93	1,529.54
August 2019	16,947.60	2,533.23
October 2019	11,036.89	1,399.75
November 2019	7,875.91	1,451.57
February 2020	17,117.08	2,363.75
April 2020	11,147.25	1,289.39
May 2020	7,954.67	1,372.81
August 2020	17,288.25	2,192.58

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-7**

**SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE**

**Sheet 3 of 3**

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
October 2020	\$ 11,258.73	\$ 1,177.91
November 2020	8,034.22	1,293.26
February 2021	17,461.13	2,019.70
April 2021	11,371.32	1,065.32
May 2021	8,114.56	1,212.92
August 2021	17,635.74	1,845.09
October 2021	11,485.03	951.61
November 2021	8,195.71	1,131.77
February 2022	17,812.10	1,668.73
April 2022	11,599.88	836.76
May 2022	8,277.66	1,049.81
August 2022	17,990.22	1,490.61
October 2022	11,715.88	720.76
November 2022	8,360.44	967.04
February 2023	18,170.12	1,310.71
April 2023	11,833.04	603.60
May 2023	8,444.04	883.43
August 2023	18,351.82	1,129.01
October 2023	11,951.37	485.27
November 2023	8,528.49	798.99
February 2024	18,535.34	945.49
April 2024	12,070.88	365.76
May 2024	8,613.77	713.71
August 2024	18,720.69	760.14
October 2024	12,191.59	245.05
November 2024	8,699.91	627.57
February 2025	18,907.90	572.93
April 2025	12,313.40	123.14
May 2025	8,786.91	540.57
August 2025	19,096.98	383.85
November 2025	8,874.78	452.70
February 2026	19,287.95	192.88
May 2026	8,963.52	363.95
November 2026	9,053.16	274.32
May 2027	9,143.69	183.79
November 2027	9,235.15	92.35
	<u>\$ 1,949,405.45</u>	<u>\$ 152,662.41</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-8

**SCHEDULE OF BOND ANTICIPATION NOTES**

Ordinance Number	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Issued for Cash	Decreased by:		Balance Dec. 31, 2014
							Budget Appropriations	Reserve for Debt Service	
02-13	Various Improvements	12/21/2010	12/14/2015	1.00%	\$ 450,000.00		\$ 56,000.00		\$ 394,000.00
03-09	Various Improvements	12/22/2009	12/15/2014	1.00%	132,200.00		9,600.00		122,600.00
03-09	Various Improvements	12/21/2010	12/15/2014	1.00%	31,800.00		1,200.00		30,600.00
03-09	Various Improvements	12/19/2012	12/15/2014	1.00%	70,000.00				70,000.00
04-11	Various Improvements	12/22/2009	12/15/2014	1.00%	28,000.00				28,000.00
04-11	Various Improvements	12/21/2010	12/15/2014	1.00%	160,000.00	60,200.00		35,700.00	114,800.00
04-11	Various Improvements	12/15/2014	12/15/2014	1.00%					60,200.00
06-21	Various Improvements	12/21/2010	12/15/2014	1.00%	287,000.00		12,100.00		274,900.00
07-14, 08-29	Various Improvements	12/21/2010	12/15/2014	1.00%	723,000.00		27,000.00		696,000.00
09-16	Various Improvements	12/21/2010	12/15/2014	1.00%	187,000.00		39,600.00		147,400.00
09-16	Various Improvements	12/19/2012	12/15/2014	1.00%	159,000.00				159,000.00
09-16	Various Improvements	12/17/2013	12/15/2014	1.00%	227,000.00				227,000.00
10-21	Various Improvements	12/19/2012	12/15/2014	1.00%	85,000.00				85,000.00
10-21	Various Improvements	12/17/2013	12/15/2014	1.00%	150,000.00				150,000.00
11-20	Various Improvements	12/17/2013	12/15/2014	1.00%	395,000.00				395,000.00
12-12	Various Improvements	12/19/2012	12/15/2014	1.00%	1,015,000.00				1,015,000.00
12-12	Various Improvements	12/17/2013	12/15/2014	1.00%	2,500,000.00				2,500,000.00
12-19	Various Improvements	12/19/2012	12/15/2014	1.00%	50,000.00				50,000.00
12-19	Various Improvements	12/17/2013	12/15/2014	1.00%	1,350,000.00	3,630,500.00			1,350,000.00
14-05	Various Improvements	12/15/2014	12/14/2015	1.00%					3,630,500.00
					\$ 8,000,000.00	\$ 3,690,700.00	\$ 155,000.00	\$ 35,700.00	\$ 11,500,000.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-9

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2013		Down Payment	Expended	Cancelled	Balance Dec. 31, 2014	
				Funded	Unfunded				Funded	Unfunded
97-01	Renovations to Municipal Complex	2/25/1997	\$ 1,700,000.00	\$ 12,857.45	\$ 215,000.00	\$	\$	\$	\$ 12,857.45	\$ 215,000.00
97-11	Various Improvements	5/27/1997	2,441,000.00	7,505.64	78,818.70				7,505.64	78,818.70
98-08	Various Improvements	4/21/1998	5,179,100.00	3,836.88	1,610,755.00				3,836.88	1,610,755.00
99-09	Various Improvements	4/27/1999	2,688,500.00	79.12	176,575.00				79.12	176,575.00
00-10	Various Improvements	4/18/2000	3,715,265.00	1,544.90	1,104,000.00				1,544.90	1,104,000.00
01-13	Various Improvements	4/24/2001	4,187,000.00	277.46	622,650.00				277.46	622,650.00
02-13	Various Improvements	4/23/2002	6,867,500.00		1,458,777.19		6,280.56			1,452,496.63
03-09	Various Improvements	4/22/2003	2,808,500.00		539,423.29		21,571.30			539,423.29
04-11	Various Improvements	4/27/2004	5,669,400.00		579,066.36					557,495.06
05-19	Various Improvements	7/26/2005	4,806,525.00	462.94	931,525.00		6,205.23		462.94	931,525.00
05-35	Development of Park Lands	11/29/2005	2,280,000.00	1,764.95	490,000.00		15,960.50			485,559.72
06-21	Various Improvements	5/23/2006	3,798,500.00		666,305.67					650,345.17
07-14, 08-29	Various Improvements	6/26/2007	4,905,700.00							
		11/12/2008	155,000.00		952,180.76					952,180.76
09-16	Various Improvements	5/26/2009	3,821,000.00		1,433,386.23		13,582.95			1,419,803.28
10-21	Various Improvements	8/31/2010	3,627,000.00		1,756,829.67		49,663.87			1,707,165.80
11-20	Various Improvements	8/23/2011	2,986,000.00	132,101.62	1,345,000.00		20,535.03		111,566.59	1,345,000.00
12-12	Various Improvements	6/26/2012	5,900,000.00		4,340,538.62		846,878.35			3,493,660.27
12-19	Various Improvements	10/02/2012	1,475,000.00	51,561.75	1,400,000.00		378,019.38			1,073,542.37
13-35	Emergency Replacement of a Culvert on Stonehurst Boulevard	11/12/2013	750,000.00	739,172.00			415,982.13	323,189.87		
14-05	Various Improvements	5/27/2014	8,450,000.00			554,000.00	631,069.92			7,818,930.08
				\$ 951,164.71	\$ 19,700,831.49	\$ 554,000.00	\$ 2,405,749.22	\$ 323,189.87	\$ 138,130.98	\$ 26,234,926.13
	Grants Receivable			\$ 75,000.00						
	Capital Improvement Fund			479,000.00						
				\$ 554,000.00						

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-10**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2013		\$ 721,335.54
Increased by:		
2014 Budget Appropriations	\$ 150,000.00	
Cancel Ordinance Fully Funded by Capital Improvement Fund	<u>323,189.87</u>	
		<u>473,189.87</u>
		<u>1,194,525.41</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>479,000.00</u>
Balance December 31, 2014		\$ <u><u>715,525.41</u></u>

**SCHEDULE OF DOWN PAYMENTS ON IMPROVEMENTS**

**Exhibit C-11**

Balance December 31, 2013 and 2014		\$ <u><u>95,737.00</u></u>
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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

Exhibit C-12

**SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT AUTHORITY LEASES PAYABLE**

Sheet 1 of 2

<b>Year of Lease</b>	<b>Lease Principal</b>	<b>Maturities of Leases Outstanding Dec. 31, 2014</b>	<b>Balance Dec. 31, 2013</b>	<b>Paid by Budget Appropriation</b>	<b>Balance Dec. 31, 2014</b>
2007	\$ 886,200.00	See Amortization Statement	\$ 329,600.00	\$ 76,500.00	\$ 253,100.00
2011	582,000.00	See Amortization Statement	334,000.00	133,000.00	201,000.00
2013	844,200.00	See Amortization Statement	844,200.00	105,710.00	738,490.00
			<u>\$ 1,507,800.00</u>	<u>\$ 315,210.00</u>	<u>\$ 1,192,590.00</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-12**

**SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT**

**Sheet 2 of 2**

**AUTHORITY LEASES PAYABLE**

<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
March 2015	\$	\$ 6,327.50
April 2015		20,082.50
September 2015	80,300.00	6,327.50
October 2015	149,440.00	20,082.50
March 2016		4,320.00
April 2016		17,092.50
September 2016	84,300.00	4,320.00
October 2016	155,170.00	17,092.50
March 2017		2,212.50
April 2017		13,632.50
September 2017	88,500.00	2,212.50
October 2017	104,810.00	13,632.50
April 2018		11,122.50
October 2018	111,270.00	11,122.50
April 2019		8,630.00
October 2019	86,700.00	8,630.00
April 2020		6,895.00
October 2020	90,430.00	6,895.00
April 2021		4,965.00
October 2021	95,160.00	4,965.00
April 2022		2,935.00
October 2022	71,890.00	2,935.00
April 2023		1,495.00
October 2023	<u>74,620.00</u>	<u>1,495.00</u>
	<u>\$ 1,192,590.00</u>	<u>\$ 199,420.00</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**Exhibit C-13**

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2014</u></b>
97-01	Renovations to Municipal Complex	\$ 215,000.00
97-11	Various Improvements	78,818.70
98-08	Various Improvements	1,610,755.00
99-09	Various Improvements	176,575.00
00-10	Various Improvements	1,104,000.00
01-13	Various Improvements	622,650.00
02-13	Various Improvements	1,224,150.00
03-09	Various Improvements	535,575.00
04-11	Various Improvements	475,730.00
05-19	Various Improvements	931,525.00
05-35	Development of Park Lands	490,000.00
06-21	Various Improvements	566,075.00
07-14, 08-29	Various Improvements	767,915.00
09-16	Various Improvements	1,098,000.00
10-21	Various Improvements	1,542,000.00
11-20	Various Improvements	950,000.00
12-12	Various Improvements	1,526,555.00
14-05	Various Improvements	4,265,500.00
		<u>\$ 18,180,823.70</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY FUND**

Exhibit D-6

**SCHEDULE OF CASH - TREASURER**

	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Balance December 31, 2013	\$ 7,893,231.16	\$ 365,778.61	\$ 2,461,405.83
Increased by Receipts:			
Prepaid Water-Sewer Rents	\$ 16,493.17		
Water Connection Fees	506,381.17		
Sewer Connection Fees	363,306.10		
Interest on Investments	103,251.26		
Miscellaneous Other	84,657.54		
Prior Year Sewer Charge Reimbursement	588,148.23		
Fire Hydrant Service	199,035.08		
Water Charges Receivable	3,989,143.93		
Sewer Charges Receivable	7,340,075.76		
Bankruptcy Utility Charges	66.80		
Assessments Receivable	53,792.19		
Excess Assessments Collected	3.21		
Reserve for Infrastructure Contribution			734.00
Premium on Sale of Notes			54,855.00
Interfunds			
Bond Anticipation Notes	13,190,559.04		3,961,800.00
	<u>21,083,790.20</u>	<u>54,600.93</u>	<u>4,017,389.00</u>
Decreased by Disbursements:			
Budget Appropriations	11,046,680.37		
Appropriation Reserves	339,012.01		
Interfunds	128,575.89		
Accrued Interest on Bonds and Notes	365,403.89		
Improvement Authorizations			295,542.64
Assessment Serial Bonds	115,000.00		
	<u>11,879,672.16</u>	<u>115,805.53</u>	<u>295,542.64</u>
Balance December 31, 2014	\$ 9,204,118.04	\$ 304,574.01	\$ 6,183,252.19

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY ASSESSMENT FUND**

Exhibit D-7

**ANALYSIS OF CASH**

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Assessments Receivable	Miscellaneous	Bonds	Miscellaneous	From	To	
Fund Balance	\$ 250,778.61	\$	\$ 3.21	\$	\$	\$	\$ 53,792.19	\$ 304,574.01
Interfund - Water-Sewer Operating Fund			805.53					
Assessment Bonds:								
<b>Ordinance Number</b>								
00-09								
01-36	86,348.13			86,348.13				
02-23	7,849.83			7,849.83				
02-29	12,952.22	521.45		12,952.22		521.45		
02-42, 04-30, 05-41	7,849.82			7,849.82				
04-19, 04-20								
04-21		11,853.42				11,853.42		
06-31, 06-43		11,098.06				11,098.06		
07-22, 08-16		7,627.06				7,627.06		
		11,758.88				11,758.88		
		10,933.32				10,933.32		
	\$ 365,778.61	\$ 53,792.19	\$ 808.74	\$ 115,000.00	\$ 805.53	\$ 53,792.19	\$ 53,792.19	\$ 304,574.01

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-8**

**ANALYSIS OF CASH**

	Balance Dec. 31, 2013 \$ 1,096,836.09	Receipts		Disbursements Improvement Authorizations \$	Transfers		Balance Dec. 31, 2014 \$ 1,151,691.09
		Notes Issued \$	Miscellaneous \$ 54,855.00		From \$	To \$	
Fund Balance	71,435.80		734.00				128,575.89
Interfunds:	287,195.00						72,169.80
Water-Sewer Operating Fund							287,195.00
Reserve for Infrastructure Contribution							
Capital Improvement Fund							
Funds Borrowed in Excess of Authorization:	24,027.07						
Ordinance 00-09, 01-15							
Ordinance 00-11							
Ordinance 02-14, 04-31							
Ordinance 03-10							
Ordinance 07-22, 08-16	51,837.76						23,411.48
Improvement Authorizations:							
General Improvements:							
00-11	45,702.30						34,638.55
02-14, 04-31	99,888.55			38,338.52	45,702.30		
03-10	3,508.76				26,911.48		
05-20	11,596.10			12,358.40	3,508.76		
06-22	38,495.49						(762.30)
07-15	218,610.00			71,030.00			38,495.49
09-17	67,919.43			8,290.66			147,580.00
10-22	175,925.92						59,628.77
11-21	84,901.98			62,842.50			175,925.92
12-13	183,525.58			98,645.06			22,059.48
14-06		3,961,800.00		4,037.50			84,880.52
							3,957,762.50
	\$ 2,461,405.83	\$ 3,961,800.00	\$ 55,589.00	\$ 295,542.64	\$ 204,698.43	\$ 204,698.43	\$ 6,183,252.19

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-9**

**SCHEDULE OF WATER CHARGES RECEIVABLE**

Balance December 31, 2013		\$ 171,523.86
Increased by:		
Water Charges Levied		<u>4,213,774.58</u>
		4,385,298.44
Decreased by:		
Receipts:		
Consumer Accounts	\$ 3,989,143.93	
Fire Hydrant Service	199,035.08	
Prepaid Applied	11,040.81	
Transfer to Bankruptcy Receivable	<u>199.26</u>	
		<u>4,199,419.08</u>
Balance December 31, 2014		<u><u>\$ 185,879.36</u></u>

**SCHEDULE OF SEWER CHARGES RECEIVABLE**

**Exhibit D-10**

Balance December 31, 2013		\$ 309,597.38
Increased by:		
Sewer Charges Levied		<u>7,327,436.20</u>
		7,637,033.58
Decreased by:		
Receipts	\$ 7,340,075.76	
Prepaid Applied	6,854.08	
Transfer to Bankruptcy Receivable	<u>877.22</u>	
		<u>7,347,807.06</u>
Balance December 31, 2014		<u><u>\$ 289,226.52</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY ASSESSMENT FUND**

Exhibit D-11

**SCHEDULE OF ASSESSMENTS RECEIVABLE**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Date of Confirmation</u></b>	<b><u>Annual Installments</u></b>	<b><u>Due Dates</u></b>	<b><u>Balance Dec. 31, 2013</u></b>	<b><u>Collected</u></b>	<b><u>Balance Dec. 31, 2014</u></b>	<b><u>Pledged to Reserve</u></b>
02-23	Various Local Improvements and Improvements to the Sewer System - Queen Anne	9/28/2004	10	11/15/2004-13	\$ 521.45	\$ 521.45	\$	\$
02-42, 04-30, 05-41	Various Local Improvements and Improvements to the Sewer System - Stonehill	3/08/2005	10	5/31/2005-14	12,594.80	11,853.42	741.38	741.38
04-19, 04-20	Various Local Improvements and Improvements to the Sewer System - White Mountain	6/27/2006	10	8/01/2006-15	18,675.15	11,098.06	7,577.09	7,577.09
04-21	Various Local Improvements and Improvements to the Sewer System - Eaglenest	2/28/2006	10	5/01/2006-15	13,528.27	7,627.06	5,901.21	5,901.21
06-31, 06-43	Various Local Improvements to the Sanitary Sewerage System - Weaverville	7/29/2008	10	9/01/2008-17	36,519.08	11,758.88	24,760.20	24,760.20
07-22, 08-16	Various Local Improvements to the Sanitary Sewerage System - Southern Gulf	8/25/2009	10	10/15/2010-19	51,021.61	10,933.32	40,088.29	40,088.29
					<u>\$ 132,860.36</u>	<u>\$ 53,792.19</u>	<u>\$ 79,068.17</u>	<u>\$ 79,068.17</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-12**

**SCHEDULE OF RECEIVABLES**

	<b><u>Balance Dec. 31, 2013 and 2014</u></b>
Connection Fees:	
Queen Anne	\$ 21,672.00
Developers Contribution:	
Thompson Grove	<u>12,500.00</u>
	<u>\$ 34,172.00</u>

**SCHEUDLE OF FIXED CAPITAL**

**Exhibit D-13**

	<b><u>Balance Dec. 31, 2014</u></b>
Purchase and Improvement of the Freehold Water and Utility Company	\$ 1,700,000.00
Maintenance and Storage Facility	75,000.00
Purchase of Southern Gulf Water Company	326,428.10
Treatment Plant	6,201,098.58
Distribution Mains	4,210,594.56
Meters and Meters Accessories	451,511.70
Standpipes and Storage Tanks	1,046,073.45
Wells	4,418,574.88
Trucks and Equipment	219,481.22
Budgetary Purchases	1,327,719.39
Land	432,146.38
Water System and Sewer System Improvements	24,776,920.48
Sewer Collection System	5,777,373.97
Sewer Emergency Response	17,781.33
Sewer Equipment	<u>18,543.46</u>
	<u>\$ 50,999,247.50</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-14

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2013</u></b>	<b><u>Charges to Future Revenue</u></b>	<b><u>Costs to Fixed Capital</u></b>	<b><u>Cancelled</u></b>	<b><u>Balance Dec. 31, 2014</u></b>
	General Improvements:					
00-11	Various Improvements to the Water-Sewer System	\$ 1,166,000.00	\$	\$ 843,597.70	\$ 322,402.30	\$
02-14, 04-31	Improvements to the Water System	1,719,000.00			39,961.48	1,679,038.52
03-10	Improvements to the Water System	625,000.00		589,193.93	35,806.07	
05-20	Various Improvements to the Water-Sewer System	2,023,000.00			66,493.36	1,956,506.64
06-22	Various Improvements to the Water-Sewer System	825,000.00			39,284.25	785,715.75
07-15	Various Improvements to the Water-Sewer System	300,000.00				300,000.00
09-17	Various Improvements to the Water-Sewer System	3,005,000.00			13,426.00	2,991,574.00
10-22	Various Improvements to the Water-Sewer System	875,000.00				875,000.00
11-21	Various Improvements to the Water-Sewer System	262,000.00				262,000.00
12-13	Various Improvements to the Water-Sewer System	700,000.00				700,000.00
14-06	Various Improvements to the Water-Sewer System		4,900,000.00			4,900,000.00
		<b><u>\$ 11,500,000.00</u></b>	<b><u>\$ 4,900,000.00</u></b>	<b><u>\$ 1,432,791.63</u></b>	<b><u>\$ 517,373.46</u></b>	<b><u>\$ 14,449,834.91</u></b>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-15**

**SCHEDULE OF APPROPRIATION RESERVES**

	<b><u>Balance Dec. 31, 2013</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>
Operating:					
Salaries and Wages	\$ 15,206.82		\$ 15,206.82		\$ 15,206.82
Other Expenses	1,259,729.79	141,591.44	1,401,321.23	\$ 339,012.01	1,062,309.22
Statutory Expenditures:					
Contribution to:					
Social Security System	<u>1,055.50</u>		<u>1,055.50</u>		<u>1,055.50</u>
	<u>\$ 1,275,992.11</u>	<u>\$ 141,591.44</u>	<u>\$ 1,417,583.55</u>	<u>\$ 339,012.01</u>	<u>\$ 1,078,571.54</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-16**

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

Balance December 31, 2013	\$ 64,302.50
Increased by:	
Budget Appropriations:	
Interest on Bonds and Notes	<u>359,315.85</u>
	423,618.35
Decreased by:	
Disbursed	<u>365,403.89</u>
Balance December 31, 2014	<u><u>\$ 58,214.46</u></u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY ASSESSMENT FUND**

**Exhibit D-17**

**STATEMENT OF RESERVE FOR ASSESSMENTS AND LIENS**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2013</u></b>	<b><u>Collections to Fund Balance</u></b>	<b><u>Balance Dec. 31, 2014</u></b>
02-23, 03-33	Various Local Improvements and Improvements to the Sewer System - Queen Anne	\$ 521.45	\$ 521.45	\$
02-42, 04-30, 05-41	Various Local Improvements and Improvements to the Sewer System - Stonehill	12,594.80	11,853.42	741.38
04-19, 04-20	Various Local Improvements and Improvements to the Sewer System - White Mountain	18,675.15	11,098.06	7,577.09
04-21	Various Local Improvements and Improvements to the Sewer System - Eaglenest	13,528.27	7,627.06	5,901.21
06-31, 06-43	Various Local Improvements to the Sanitary Sewerage System - Weaverville	36,519.08	11,758.88	24,760.20
07-22, 08-16	Various Local Improvements to the Sanitary Sewerage System - Southern Gulf	<u>51,021.61</u>	<u>10,933.32</u>	<u>40,088.29</u>
		<u>\$ 132,860.36</u>	<u>\$ 53,792.19</u>	<u>\$ 79,068.17</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-18**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations Deferred	Paid or Charged	Cancelled	Balance Dec. 31, 2014 Unfunded
		Date	Amount	Funded	Unfunded				
General Improvements:									
00-11	Various Improvements to the Water-Sewer System	4/18/2000	\$ 1,166,000	\$	\$ 322,402.30	\$	\$ 38,338.52	\$ 322,402.30	\$ 34,638.55
02-14, 04-31	Improvements to the Water System	8/10/2004	1,719,000		112,938.55			39,961.48	
03-10	Improvements to the Water System	4/22/2003	625,000		35,806.07			35,806.07	
05-20	Various Improvements to the Water-Sewer System	7/26/2005	2,023,000	11,596.10	321,850.00		12,358.40	66,493.36	254,594.34
06-22	Various Improvements to the Water-Sewer System	5/23/2006	825,000	38,495.49	123,750.00			39,284.25	122,961.24
07-15	Various Improvements to the Water-Sewer System	6/26/2007	300,000		218,610.00		71,030.00		147,580.00
09-17	Various Improvements to the Water-Sewer System	5/26/2009	3,005,000		1,618,419.43		8,290.66	13,426.00	1,596,702.77
10-22	Various Improvements to the Water-Sewer System	8/31/2010	875,000		551,925.92		62,842.50		551,925.92
11-21	Various Improvements to the Water-Sewer System	8/23/2011	262,000		132,901.98		98,645.06		70,059.48
12-13	Various Improvements to the Water-Sewer System	6/26/2012	700,000		574,525.58		4,037.50		475,880.52
14-06	Various Improvements to the Water-Sewer System	5/27/2014	4,900,000			4,900,000.00			4,895,962.50
				\$ 50,091.59	\$ 4,013,129.83	\$ 4,900,000.00	\$ 295,542.64	\$ 517,373.46	\$ 8,150,305.32

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-19**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2013 and 2014 \$ 287,195.00

**SCHEDULE OF RESERVE FOR AMORTIZATION**

**Exhibit D-20**

Balance December 31, 2013 \$ 45,656,373.39

Increased by:

Budget Appropriations:

Serial Bonds

\$ 1,005,000.00

Bond Anticipation Notes

343,735.17

M.C.I.A. Lease Payable

7,290.00

Transfer from Deferred Reserve for

Amortization

175,338.94

1,531,364.11

Balance December 31, 2014

\$ 47,187,737.50

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-21**

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

<b><u>Ordinance Number</u></b>	<b><u>Improvements Description</u></b>	<b><u>Balance Dec. 31, 2014</u></b>
	General Improvements:	
02-14, 04-31	Improvements to the Water System	\$ 89,450.00
05-20	Various Improvements to the Water-Sewer System	101,150.00
06-22	Various Improvements to the Water-Sewer System	41,250.00
07-15	Various Improvements to the Water-Sewer System	60,800.00
09-17	Various Improvements to the Water-Sewer System	247,600.00
10-22	Various Improvements to the Water-Sewer System	75,500.00
11-21	Various Improvements to the Water-Sewer System	14,000.00
12-13	Various Improvements to the Water-Sewer System	33,400.00
		<u>\$ 663,150.00</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY ASSESSMENT FUND**

**Exhibit D-22**

**SCHEDULE OF ASSESSMENT SERIAL BONDS**

<b><u>Purpose</u></b> Utility Assessment Bonds	<b><u>Date of Issue</u></b> <u>10/14/2004</u>	<b><u>Amount of Original Issue</u></b> <u>\$ 1,465,000</u>	<b><u>Interest Rate</u></b> <u>4.00%</u>	<b><u>Balance Dec. 31, 2013</u></b> <u>\$ 115,000.00</u>	<b><u>Paid by Budget Appropriation</u></b> <u>\$ 115,000.00</u>
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TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-23

SCHEDULE OF WATER-SEWER SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2014</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
Utility Bonds	10/14/2004	\$ 3,035,000	7/15/2015-16	\$ 200,000	4.000%	\$ 150,000.00	\$ 150,000.00	\$
Utility Bonds	7/26/2007	3,000,000	7/15/2017-18	200,000	4.125%			
			7/15/2019-22	250,000	4.250%			
Utility Refunding Bonds	12/16/2009	6,580,000	9/15/2015-16	645,000	4.000%	2,000,000.00	200,000.00	1,800,000.00
			9/15/2017	640,000	5.000%			
			9/15/2018	645,000	5.000%			
			9/15/2019	335,000	5.000%			
			9/15/2020	335,000	3.000%			
			9/15/2021	330,000	4.000%	4,225,000.00	650,000.00	3,575,000.00
Utility Refunding Bonds	10/01/2012	1,680,000	10/01/2015	160,000	3.000%			
			10/01/2016-18	155,000	3.000%			
			10/01/2019	160,000	3.000%			
			10/01/2020	175,000	3.000%			
			10/1/2021-22	175,000	3.500%			
			10/1/2023-24	170,000	3.500%			
						<u>1,655,000.00</u>	<u>5,000.00</u>	<u>1,650,000.00</u>
						\$ 8,030,000.00	\$ 1,005,000.00	\$ 7,025,000.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-24

**SCHEDULE OF BOND ANTICIPATION NOTES**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Dec. 31, 2014</u>
00-09, 01-15	Various Local Improvements and Improvements to the Sewer System	12/21/2010			\$ 123,400.00	\$	\$ 123,400.00	\$
00-11	Various Improvements to the Water-Sewer System	12/22/2009			15,000.00		15,000.00	
02-14, 04-31	Various Improvements to the Water-Sewer System	12/21/2010			100,000.00		100,000.00	
02-14, 04-31	Improvements to the Water System	12/21/2010	12/14/2015	1.00%	96,500.00		3,500.00	93,000.00
02-14, 04-31	Improvements to the Water System	12/19/2012	12/14/2015	1.00%	50,000.00			50,000.00
03-10	Improvements to the Water System	12/17/2013	12/14/2015	1.00%	450,000.00			450,000.00
07-15	Improvements to the Water-Sewer System	12/21/2010			14,400.00		14,400.00	
07-15	Various Improvements to the Water-Sewer System	12/22/2009	12/15/2014	1.00%	43,200.00		34,000.00	9,200.00
07-22, 08-16	Various Local Improvements to the Sanitary Sewerage System	12/21/2010	12/15/2014	1.00%	230,000.00			230,000.00
09-17	Various Improvements to the Water-Sewer System	12/21/2010			296,200.00		296,200.00	
09-17	Various Improvements to the Water-Sewer System	12/22/2009	12/15/2014	1.00%	762,000.00		34,600.00	727,400.00
09-17	Various Improvements to the Water-Sewer System	12/21/2010	12/14/2015	1.00%	175,000.00			175,000.00
09-17	Various Improvements to the Water-Sewer System	12/19/2012	12/14/2015	1.00%	4,500.00			4,500.00
10-22	Various Improvements to the Water-Sewer System	12/17/2013	12/14/2015	1.00%	300,000.00			300,000.00
11-21	Various Improvements to the Water-Sewer System	12/21/2010	12/15/2014	1.00%	439,200.00		15,700.00	423,500.00
12-13	Various Improvements to the Water-Sewer System	12/20/2011	12/15/2014	1.00%	200,000.00			200,000.00
14-06	Various Improvements to the Water-Sewer System	12/19/2012	12/14/2015	1.00%	275,600.00			275,600.00
		12/15/2014	12/14/2015	1.00%		3,961,800.00		3,961,800.00
					\$ 3,575,000.00	\$ 3,961,800.00	\$ 636,800.00	\$ 6,900,000.00

Budget Appropriations  
Cash on Hand

\$ 508,224.11  
128,575.89

\$ 636,800.00

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-25

**SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT AUTHORITY LEASE PAYABLE**

Sheet 1 of 2

	<b>Year of Lease</b>		
	<b>2013</b>	<b>Lease Principal</b>	<b>Maturities of Lease Outstanding Dec. 31, 2014</b>
	<u>2013</u>	<u>\$ 73,800.00</u>	<u>Date</u>
			<u>Amount</u>
			See Amortization Statement
			<b>Balance Dec. 31, 2013</b>
			<u>\$ 73,800.00</u>
		<b>Paid by Budget Appropriation</b>	<b>Balance Dec. 31, 2014</b>
		<u>\$ 7,290.00</u>	<u>\$ 66,510.00</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-25**

**SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT**

**Sheet 2 of 2**

**AUTHORITY LEASE PAYABLE**

<b>Due</b>	<b>Principal</b>	<b>Interest</b>
April 2015	\$	\$ 1,450.00
October 2015	7,560.00	1,450.00
April 2016		1,300.00
October 2016	7,830.00	1,300.00
April 2017		1,105.00
October 2017	8,190.00	1,105.00
April 2018		900.00
October 2018	8,730.00	900.00
April 2019		680.00
October 2019	6,300.00	680.00
April 2020		555.00
October 2020	6,570.00	555.00
April 2021		425.00
October 2021	6,840.00	425.00
April 2022		285.00
October 2022	7,110.00	285.00
April 2023		145.00
October 2023	7,380.00	145.00
	<u>\$ 66,510.00</u>	<u>\$ 13,690.00</u>

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-26**

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2014</u></b>
	General Improvements:	
05-20	Various Improvements to the Water-Sewer System	\$ 255,356.64
06-22	Various Improvements to the Water-Sewer System	84,465.75
09-17	Various Improvements to the Water-Sewer System	1,537,074.00
10-22	Various Improvements to the Water-Sewer System	376,000.00
11-21	Various Improvements to the Water-Sewer System	48,000.00
12-13	Various Improvements to the Water-Sewer System	391,000.00
14-06	Various Improvements to the Water-Sewer System	938,200.00
		<b><u>\$ 3,630,096.39</u></b>

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**TOWNSHIP OF FREEHOLD**

**COUNTY OF MONMOUTH**

**PART III**

**REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING**

**AND ON COMPLIANCE AND OTHER MATTERS**

**YEAR ENDED DECEMBER 31, 2014**

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HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

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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 Committee  
Township of Freehold, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of Freehold (herein referred to as “the Municipality”), as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 12, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

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

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

June 12, 2015  
Freehold, New Jersey

**TOWNSHIP OF FREEHOLD**  
**COUNTY OF MONMOUTH**  
**PART IV**  
**SINGLE AUDIT SECTION**  
**FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2014**

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133**

Honorable Mayor and Members  
of the Township Committee  
Township of Freehold, New Jersey

**Report on Compliance for Each Major Federal Program**

We have audited the Township of Freehold’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Township’s major federal programs for the year ended December 31, 2014. The Township of Freehold’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

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

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township of Freehold’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Freehold’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Township of Freehold complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

### **Report on Internal Control Over Compliance**

Management of the Township of Freehold is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Freehold's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Freehold's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the Township of Freehold as of and for the year ended December 31, 2014, and have issued our report thereon dated June 12, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

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

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

June 12, 2015  
Freehold, New Jersey

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**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Grantor/Program Title	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Grant Period		Program or Award Amount	Receipts	Expenditures	Cumulative Expenditures
			From	To				
Federal Emergency Management Agency Pass-Through: New Jersey Department of Law and Public Safety Public Assistance: Super Storm Sandy Total Department of Homeland Security	97.036	022-8022-100-001	2012	2014	1,241,877.05	583,600.00 583,600.00	583,600.00 583,600.00	1,241,877.05 1,241,877.05
Department of Justice Direct Program: Bulletproof Vest Grant Pass-Through: New Jersey Department of Law and Public Safety Drive Sober or Get Pulled Over Click It or Ticket Total Department of Justice	16.607 20.601 20.602	Not Available 066-1160-100-057 066-1160-100-113	2014	2014	6,364.00	6,364.00	4,669.00	4,669.00
						4,700.00 3,250.00 14,314.00	4,500.00 3,250.00 12,419.00	4,500.00 3,250.00 12,419.00
						\$ 597,914.00	\$ 596,019.00	\$ 1,254,296.05

**TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED DECEMBER 31, 2014**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes grant activity of the Township of Freehold and is presented on the regulatory basis of accounting (as described in note 1C. of the financial statements). The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Expenditures, as reported on the accompanying Schedule of Expenditures of Federal Awards, reflects cash disbursements charged directly to a grant program.

**NOTE 2. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (“CFDA”) NUMBERS**

The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of grant contract information and the Office of Management and Budget’s Catalog of Federal Domestic Assistance.

**NOTE 3. CONTINGENCIES**

Each of the cognizant agencies reserves the right to conduct additional audits of the Township’s grant programs. Management does not believe such audits would result in material amounts of disallowed costs.

**NOTE 4. RECONCILIATION OF SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS TO THE BASIC FINANCIAL STATEMENTS**

In accordance with OMB Circular A-133 and industry audit guides, the Schedule of Expenditures of Federal Awards should be reflecting actual program activity. Therefore it is necessary to make reconciliation from the schedules to the financial statements for grants that have encumbrances but the actual activity has not yet occurred. The aforementioned reconciliation is presented below:

	<u>Total</u>
Current Fund – Expended in Previous Year	\$ 583,600
Grant Fund	12,419
	<u>\$ 596,019</u>
Federal Expenditures	<u>\$ 596,019</u>
	<u>\$ 596,019</u>

TOWNSHIP OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2014

Part 1 - Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

- |   |                           |
|---|---------------------------|
| D) Internal control over compliance:  |                           |
| 1) Material weakness(es) identified?  | _____ Yes <u>  X  </u> No |
| 2) Significant deficiencies identified that are not considered to be material weaknesses?                                 | _____ Yes <u>  X  </u> No |
| E) Type of auditor's report issued on compliance for major programs?  | Unmodified                |
| F) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (Section .510(a))? | _____ Yes <u>  X  </u> No |

G) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Federal Emergency Management Agency(FEMA):
	Department of Homeland Security (DHS):
	Public Assistance Grants : Superstorm Sandy

- |   |                           |
|---|---------------------------|
| H) Dollar threshold used to distinguish between Type A and Type B programs? | \$300,000.00              |
| I) Auditee qualified as low-risk auditee?                                   | _____ Yes <u>  X  </u> No |

TOWNSHIP OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)

Year ended December 31, 2014

Part 2 - Schedule of Financial Statement Findings

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

None noted.

TOWNSHIP OF FREEHOLD  
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)

Year ended December 31, 2014

Part 3 - Schedule of Federal Award Findings and Questioned Costs

This Section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by OMB Circular A-133.

None noted.

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**TOWNSHIP OF FREEHOLD**

**COUNTY OF MONMOUTH**

**SECTION V**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2014**

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An audit of the financial accounts and transactions of the Township of Freehold, in the County of Monmouth, for the year ended December 31, 2014, has recently been completed. The results of the audit are herewith set forth.

### **SCOPE OF AUDIT**

The audit covered the financial transactions of the Chief Financial Officer, Tax Collector, the activities of the Mayor and Township Committee, and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

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

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

### **GENERAL COMMENTS**

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

N.J.S. 40A:11-4a states “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law.” The amount set forth pursuant to the above statute was \$17,500 for municipalities without a qualified purchasing agent (QPA) and \$36,000 with a qualified purchasing agent. In 2011, it was noted that the Division of Local Government Services adopted a temporary rule that permits municipalities to increase their bid threshold to \$26,000 for a person meeting certain eligibility requirements for the future anticipated QPA certification exam. The Township’s bid threshold was \$36,000 for the year under audit.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the above statutory limitation within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “Professional Services” per N.J.S. 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.

### **Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4a (Continued)**

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit 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:11-4.

### **Contracts or Agreements not Required to be Advertised per N.J.S. 40A:11-6.1**

N.J.S. 40A:11-6.1 states “For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount... . . . the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable.”

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

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

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

The governing body on January 3, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“WHEREAS, the Township Committee of the Township of Freehold desires to establish the interest rate to be charged on all delinquent taxes and assessments, said interest to be waived within a ten (10) day period after they become due. On the eleventh day of delinquency, interest shall be calculated from the date the tax was payable until the date of actual payment.”

“NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Freehold that, pursuant to the provisions of N.J.S.A. 54:4-67, the rate of interest to be charged for the non-payment of taxes and assessments on or before the day when the same become delinquent is hereby fixed at eight percent (8%) per annum on the first \$1,500 of delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500. In addition, the Township will set an additional charge of six percent (6%) per annum on all delinquent accounts in excess of \$10,000, or the maximum allowed by statute, whichever is greater.”

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

**Collection of Interest on Delinquent Water and Sewer Service Charges**

The ordinances of the Township provide for delinquent charges on water and sewer accounts as follows:

“If any bill or part rendered for water and sewer usage or for any other charges in connection therewith is not paid before the 30th day following the bill date, the bill shall be considered delinquent and subject to interest at the prevailing rate fixed for interest for delinquent real estate taxes from the bill date until such time as the bill is paid in full ...”

It appears from an examination of the Collector's records that interest was generally collected in accordance with the foregoing ordinance.

**Delinquent Taxes and Tax Title Liens**

The last tax and utility lien sale was held on December 3, 2014 and was complete except for those properties in bankruptcy.

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

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

<u>Year</u>	<u>Number of Liens</u>
2014	22
2013	22
2012	22

**Miscellaneous**

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Treasurer, as well as with independent lists made part of this audit.

A report summarizing collections of Dog License Fees and remittances of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

Individual payments of the Local and Regional School District Taxes by the municipality were confirmed as received by the Secretaries of the Boards of Education for the year 2014.

**Miscellaneous (Continued)**

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

**FOLLOW-UP OF PRIOR YEAR FINDINGS**

In accordance with Government Auditing Standards procedures should include a review of all prior year findings. There were no prior year findings that needed to be addressed in 2014.

**FINDINGS/RECOMMENDATIONS**

None

**ACKNOWLEDGEMENT**

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the audit.

The foregoing comments are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments, please contact us at your earliest opportunity.

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