

**TOWNSHIP OF FREEHOLD
COUNTY OF MONMOUTH**

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

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COUNTY OF MONMOUTH, NEW JERSEY
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COUNTY OF MONMOUTH, NEW JERSEY
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TOWNSHIP OF FREEHOLD

COUNTY OF MONMOUTH

PART I

AUDITOR'S REPORT OF THE TOWNSHIP'S FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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HOLMAN | FRENIA
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Freehold
County of Monmouth
Freehold, New Jersey 07728

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Freehold, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, 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, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

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

Other Matters

Report on Supplementary Information

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

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 10, 2016, 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

Freehold, New Jersey
June 10, 2016

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

Honorable Mayor and Members
of the Township Council
Township of Freehold
County of Monmouth
Freehold, New Jersey 07728

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, 2015, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated June 10, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

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

Freehold, New Jersey
June 10, 2016

BASIC FINANCIAL STATEMENTS

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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, 2015 AND 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Regular Funds</u>			
Cash and Cash Equivalents - Treasurer	A-4	\$ 16,745,259.03	\$ 15,621,176.94
Investments - Treasurer	A-4	15,955,664.00	15,724,923.00
Change Funds		1,350.00	1,350.00
		<u>32,702,273.03</u>	<u>31,347,449.94</u>
Receivables with Full Reserves:			
Police Special Duty Receivable	A-4	77,497.00	54,678.30
Delinquent Property Taxes Receivable	A-5	1,452,138.52	1,259,024.40
Tax Title Liens Receivable	A-6	313,983.24	301,020.41
Property Acquired for Taxes at Assessed Value		584,150.00	584,150.00
Miscellaneous Receivables		1,582.83	4,680.00
Revenue Accounts Receivable	A-7	111,877.08	105,548.46
Interfunds:			
Animal Control Trust Fund	A-12	22,408.80	14,945.80
Other Trust Fund	A-12	210,923.77	71,676.37
General Capital Fund	A-12	36,000.00	35,700.00
		<u>2,810,561.24</u>	<u>2,431,423.74</u>
Deferred Charges:			
Emergency Authorizations (40A:4-47)			
Special Emergency Authorizations (40A:4-55)	A-3	105,000.00	175,000.00
		<u>35,617,834.27</u>	<u>33,953,873.68</u>
<u>Grant Fund</u>			
Interfund - Current Fund	A-13	364,989.62	320,622.06
Grants Receivable	A-14	103,276.81	247,267.90
		<u>468,266.43</u>	<u>567,889.96</u>
		<u>\$ 36,086,100.70</u>	<u>\$ 34,521,763.64</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Regular Funds</u>			
Liabilities:			
Appropriation Reserves	A-3,8	\$ 3,172,746.10	\$ 3,292,024.76
Reserve for Encumbrances	A-3,8	535,545.09	235,886.29
Due to State of New Jersey for Fees Collected	A-4	17,716.00	20,106.00
Due to Freehold Shopping Center	A-4	3,514.00	4,109.00

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, 2015 AND 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance (Continued)</u>			
<u>Regular Funds (Continued)</u>			
Liabilities (Continued):			
Tax Overpayments		\$ 207,690.21	\$ 206,411.46
Accounts Payable		689,899.52	678,881.46
Prepaid Health Benefits	A-3,4	4,876.46	6,036.92
Prepaid Fees and Permits	A-4,7	27,190.00	31,322.02
Prepaid Taxes		742,429.04	556,403.60
Due from State of New Jersey (Chapter 20, P.L. 1971)		18,947.76	6,792.97
Due County for Added and Omitted Taxes	A-9	45,708.81	68,963.51
Local District School Tax Payable	A-10	5,832,764.00	4,625,395.48
Regional High School Tax Payable	A-11	12,925,221.40	12,760,345.00
Reserve for:			
Sale of Liquor License		1,011,111.00	1,011,111.00
Taxes Collected on Appeal	A-3,4	151,960.94	344,319.89
Historical Preservation	A-4	1,149.00	1,149.00
Interfunds:			
Grant Fund	A-13	364,989.62	320,622.06
		<u>25,753,458.95</u>	<u>24,169,880.42</u>
Reserve for Receivables and Other Assets		2,810,561.24	2,431,423.74
Fund Balance	A-1	7,053,814.08	7,352,569.52
		<u>35,617,834.27</u>	<u>33,953,873.68</u>
<u>Grant Fund</u>			
Reserve for Encumbrances	A-15	76,721.52	140,659.72
Appropriated Reserves	A-15	385,319.71	324,907.42
Unappropriated Reserves	A-16	6,225.20	102,322.82
		<u>468,266.43</u>	<u>567,889.96</u>
		<u>\$ 36,086,100.70</u>	<u>\$ 34,521,763.64</u>

There were deferred school taxes on December 31, 2015 and 2014 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

CHANGE IN FUND BALANCE - REGULATORY BASIS

DECEMBER 31, 2015 AND 2014

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 5,572,626.00	\$ 5,335,407.00
Miscellaneous Revenue Anticipated	A-2	14,167,782.95	14,564,914.60
Receipts from Delinquent Taxes	A-2	1,269,436.18	1,152,349.28
Receipts from Current Taxes	A-2	134,155,415.28	130,281,757.18
Non-Budget Revenues	A-2	1,029,541.70	1,112,588.54
Other Credits to Income:			
Cancelled Old Outstanding Checks			
Unexpended Balance of Appropriation Reserves	A-8	2,116,928.65	2,077,776.79
Statutory Excess in Animal Control Trust	A-12	22,408.80	14,945.80
Cancel Appropriated Grant Reserve	A-13	40,576.62	33,618.77
Tax Overpayments Cancelled			6,474.41
Reserve for Receivables:			
Police Special Duty Receivable		125,607.88	128,920.37
Total Income		<u>158,500,324.06</u>	<u>154,709,413.00</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		15,363,600.00	15,101,677.04
Other Expenses		12,412,660.33	12,540,827.18
Capital Improvements		150,000.00	150,000.00
Deferred Charges and Statutory Expenditures		3,608,721.00	3,506,675.00
Municipal Debt Service		5,518,645.98	4,915,729.73
Transferred to Board of Education		949,080.00	946,680.00
Budget Totals	A-3	<u>38,002,707.31</u>	<u>37,161,588.95</u>
Refund of Prior Year Revenue	A-4	38,637.45	354.00
Municipal Open Space Tax	A-4,5	1,768,187.00	1,644,772.62
Special District Taxes - Fire	A-4,5	2,179,897.00	2,267,794.00
County Taxes	A-9	18,754,764.91	18,079,457.88
Due County for Added and Omitted Taxes	A-9	45,708.81	68,963.51
Local District School Taxes	A-10	65,594,282.00	63,136,292.00
Regional School District Taxes	A-11	26,648,432.00	26,303,068.00
Cancel Grant Receivable	A-13	40,576.62	12,973.01
Interfund Advances		147,010.40	113,744.94
Prior Year Deductions Disallowed		6,250.00	5,500.00
Total Expenditures		<u>153,226,453.50</u>	<u>148,794,508.91</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
CHANGE IN FUND BALANCE - REGULATORY BASIS**

Sheet 2 of 2

DECEMBER 31, 2015 AND 2014

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Excess in Revenue		\$ 5,273,870.56	\$ 5,914,904.09
Fund Balance January 1	A	<u>7,352,569.52</u>	<u>6,773,072.43</u>
		12,626,440.08	12,687,976.52
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>5,572,626.00</u>	<u>5,335,407.00</u>
Fund Balance December 31	A	<u><u>\$ 7,053,814.08</u></u>	<u><u>\$ 7,352,569.52</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

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 5,572,626.00	\$	\$ 5,572,626.00	\$
<u>Miscellaneous Revenues</u>					
Licenses:					
Alcoholic Beverages	A-7	40,000.00		46,126.00	6,126.00
Other	A-7	45,000.00		48,711.70	3,711.70
Fees and Permits:					
Construction Code Official	A-7	760,000.00		1,245,585.20	485,585.20
Other	A-7	200,000.00		255,705.64	55,705.64
Fines and Costs:					
Municipal Court	A-7	600,000.00		1,152,455.14	552,455.14
Interest and Costs on Taxes	A-4	125,000.00		316,154.69	191,154.69
Interest on Investments and Deposits	A-7	150,000.00		233,533.92	83,533.92
Cable Television Franchise Fees	A-7	360,866.00		360,866.00	
Verizon Franchise Fees	A-7	168,852.13		168,852.13	
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	41,010.00		41,010.00	
Body Armor Fund	A-13	5,898.49		5,898.49	
Clean Communities Program	A-13		81,154.50	81,154.50	
Green Communities	A-13	3,000.00		3,000.00	
Recycling Tonnage Grant	A-13	96,424.33		96,424.33	
Safe and Secure Communities Program	A-13	60,000.00		60,000.00	
Safe Corridors	A-13		54,675.51	54,675.51	
Federal Grants:					
Click It or Ticket	A-13	4,000.00		4,000.00	
Uniform Fire Safety Act	A-7	85,989.97		89,875.54	3,885.57

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

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Other Special Items:					
Shared Services Agreements:					
Automotive Services	A-7	\$ 35,000.00	\$	\$ 41,599.82	\$ 6,599.82
Board of Health	A-7	143,471.00		148,148.00	4,677.00
Bureau of Fire Prevention	A-7	3,500.00		5,265.02	1,765.02
Construction Code - Jackson Township	A-7	52,000.00		43,560.00	(8,440.00)
Diesel Fuel	A-7	325,000.00		206,413.51	(118,586.49)
Information Technology - Freehold Borough	A-7	17,000.00		20,800.00	3,800.00
Information Technology - Manalapan	A-7	90,000.00		92,406.50	2,406.50
Operational Services - Keyport	A-7	21,000.00		26,370.00	5,370.00
Operational Services - Freehold Regional	A-7	15,000.00		21,499.37	6,499.37
Police Services	A-7	24,000.00		19,146.05	(4,853.95)
Public Health Preparedness - Monmouth County	A-7	91,425.00	10,000.00	4,250.00	(5,750.00)
Fund Balance - General Capital Fund	A-7	50,000.00		91,425.00	94,734.40
Hotel/Motel Tax	A-7	1,386,000.00		144,734.40	94,734.40
Open Space - Debt Service	A-7	75,000.00		1,386,000.00	30,568.99
Payments in Lieu of Taxes	A-7	100,000.00		105,568.99	30,568.99
Reserve for Detention Basin	A-7	10,252.50		100,000.00	30,568.99
Reserve for Municipal Alliance	A-7	10,252.50		10,252.50	
Total Miscellaneous Revenues	A-1	<u>12,621,004.42</u>	<u>145,830.01</u>	<u>14,167,782.95</u>	<u>1,400,948.52</u>
Receipts from Delinquent Taxes	A-1,2	1,180,000.00		1,269,436.18	89,436.18
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2	20,284,338.25		20,864,720.91	580,382.66
Budget Totals	A-1,2	39,657,968.67	145,830.01	41,874,566.04	2,070,767.36
Non-Budget Revenues				1,029,541.70	1,029,541.70
		<u>\$ 39,657,968.67</u>	<u>\$ 145,830.01</u>	<u>\$ 42,904,107.74</u>	<u>\$ 3,100,309.06</u>
Ref.		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

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
<u>Allocation of Current Tax Collection</u>		
Revenue from Collections	A-1,5	\$ 134,155,415.28
Allocated to School, County and Special District Taxes	A-5	114,991,271.72
Balance for Support of Municipal Budget Appropriations		<u>19,164,143.56</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,700,577.35</u>
 Amount for Support of Municipal Appropriations	 A-2	 <u><u>\$ 20,864,720.91</u></u>
 <u>Delinquent Taxes</u>		
Taxes Receivable	A-2,5	<u><u>\$ 1,269,436.18</u></u>
 <u>Analysis of Non-Budget Revenue</u>		
Administrative Fees Senior Citizens and Veterans		\$ 4,896.23
Board of Adjustment Fees		44,648.45
Cell Tower Lease		63,932.96
Clerk		189,188.19
Finance Department		13,647.80
Fire Bureau		106,673.00
Freemall Lease		2,000.00
Housing Fees		287,160.55
Impound Yard Fees		15,518.00
Meeting Room Rental		350.00
Miscellaneous Receivables		5,540.97
Motor Vehicle Commission Inspection Fees		3,700.00
Planning Board Fees		225,847.04
Police Department		16,980.18
Recycling Fees		38,173.48
Sign Making/Repair Services		1,711.29
Tax Collector Fees		9,171.00
Vending Machine Commissions		<u>402.56</u>
	A-2,4	<u><u>\$ 1,029,541.70</u></u>
 <u>Source of Miscellaneous Revenue not Anticipated</u>		
Receipts	A-4	\$ 1,018,965.71
Prepaid Revenue	A	5,035.02
Miscellaneous Receivables Collected	A	<u>5,540.97</u>
	A-2	<u><u>\$ 1,029,541.70</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

	Appropriated			Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Paid or Charged	Reserved	
<u>OPERATIONS WITHIN CAPS</u>						
<u>General Government</u>						
Administrative and Executive						
Salaries and Wages	\$ 232,000.00	\$ 232,000.00	\$ 231,609.63	\$ 390.37	\$	
Other Expenses	10,000.00	10,000.00	2,797.98	7,202.02		
Public Information Office						
Salaries and Wages	32,000.00	32,000.00	31,802.47	197.53		
Other Expenses	8,000.00	8,000.00	1,373.88	6,626.12		
Purchasing Department						
Salaries and Wages	44,000.00	44,000.00	43,639.39	360.61		
Other Expenses	31,000.00	31,000.00	24,967.17	6,032.83		
Human Resources						
Salaries and Wages	104,000.00	104,000.00	51,701.96	52,298.04		
Other Expenses	15,500.00	15,500.00	8,398.00	7,102.00		
Mayor and Township Committee						
Salaries and Wages	50,000.00	50,000.00	48,536.63	1,463.37		
Other Expenses	30,000.00	30,000.00	15,355.47	14,644.53		
Municipal Clerk						
Salaries and Wages	183,000.00	183,000.00	180,220.51	2,779.49		
Other Expenses	94,850.00	94,850.00	64,424.65	30,425.35		
Elections						
Salaries and Wages	1,000.00	1,000.00	325.68	674.32		
Other Expenses	15,200.00	15,200.00	6,634.27	8,565.73		
Financial Administration						
Salaries and Wages	155,000.00	155,000.00	145,917.58	9,082.42		
Other Expenses	81,000.00	81,000.00	69,200.15	11,799.85		
Audit	31,000.00	31,000.00	29,520.00	1,480.00		
Information Technology						
Salaries and Wages	184,000.00	185,000.00	184,870.43	129.57		
Other Expenses	157,000.00	156,000.00	129,286.66	26,713.34		

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

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Revenue Administration (Collection of Taxes)	\$					\$
Salaries and Wages	74,000.00	\$	74,000.00	\$	5,401.20	
Other Expenses	20,600.00		20,600.00		8,430.20	
Assessment of Taxes						
Salaries and Wages	142,000.00		142,000.00		288.03	
Other Expenses	192,800.00		192,800.00		17,338.43	
Cost of Tax Appeals	50,000.00		50,000.00			
Legal Services and Costs						
Other Expenses	400,000.00		400,000.00		151,829.68	
Affordable Housing Services and Costs						
Other Expenses	70,000.00		72,500.00		8,147.69	
Engineering Services and Costs						
Salaries and Wages	303,000.00		303,000.00		64,366.71	
Other Expenses	52,300.00		52,300.00		28,204.66	
Historical Preservation						
Other Expenses	2,550.00		2,550.00		2,347.99	
Municipal Land Use Law Planning Board						
Salaries and Wages	32,000.00		32,000.00		310.36	
Other Expenses	70,000.00		70,000.00		48,693.12	
Board of Adjustment						
Salaries and Wages	45,000.00		45,000.00		1,101.23	
Other Expenses	9,500.00		9,500.00		2,184.51	
Insurance						
Group Insurance	5,262,796.00		5,262,796.00		545,399.21	
Other Insurance	275,000.00		275,000.00		1,682.99	
Workmen's Compensation	415,000.00		415,000.00		16,665.80	
Health Benefit Waiver	115,000.00		119,600.00		62.50	
Code Enforcement - Other						
Salaries and Wages	113,000.00		113,000.00		2,487.77	
Other Expenses	2,500.00		2,500.00		2,500.00	

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

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
<u>Public Safety</u>						
Police						
Salaries and Wages	\$ 8,803,000.00	\$ 8,803,000.00	\$ 8,327,387.07	\$ 475,612.93	\$	
Other Expenses	277,000.00	277,000.00	234,526.68	42,473.32		
M.C.I.A. Lease	34,980.00	34,980.00	34,980.00			
Office of Emergency Management						
Salaries and Wages	11,000.00	11,000.00	9,927.32	1,072.68		
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	36,000.00	36,000.00	34,790.02	1,209.98		
Other Expenses	5,500.00	5,500.00	4,155.42	1,344.58		
Uniform Fire Safety Act						
Salaries and Wages	104,000.00	107,000.00	106,559.22	440.78		
Municipal Prosecutor						
Other Expenses	69,500.00	69,500.00	67,999.92	1,500.08		
<u>Public Works</u>						
Road Repairs and Maintenance						
Salaries and Wages	1,011,000.00	1,011,000.00	936,867.01	74,132.99		
Other Expenses	226,000.00	226,000.00	180,522.16	45,477.84		
Snow Removal						
Salaries and Wages	200,000.00	200,000.00	171,899.44	28,100.56		
Other Expenses	310,000.00	310,000.00	297,651.42	12,348.58		
Shade Tree Commission						
Salaries and Wages	107,000.00	107,000.00	99,385.70	7,614.30		
Other Expenses	19,750.00	19,750.00	4,584.00	15,166.00		
Recycling						
Salaries and Wages	124,000.00	124,000.00	123,289.92	710.08		
Other Expenses	317,000.00	317,000.00	285,210.52	31,789.48		

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

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification			Reserved	
Public Buildings and Grounds						
Salaries and Wages	\$ 410,000.00	\$ 410,000.00	\$ 379,211.41	\$ 30,788.59	\$	
Other Expenses	125,000.00	125,000.00	99,504.63	25,495.37		
Equipment Maintenance and Repair						
Salaries and Wages	449,000.00	449,000.00	416,233.47	32,766.53		
Other Expenses	358,650.00	358,650.00	325,704.42	32,945.58		
Condominium Services Act						
Other Expenses	120,000.00	81,600.00	51,189.06	30,410.94		
<u>Health and Welfare</u>						
Board of Health						
Salaries and Wages	319,000.00	319,000.00	316,516.99	2,483.01		
Other Expenses	95,400.00	112,400.00	104,545.17	7,854.83		
Animal Control						
Other Expenses	61,745.00	61,745.00	61,745.00			
Environmental Commission						
Other Expenses	400.00	400.00		400.00		
<u>Recreation and Education</u>						
Board of Recreation Commissioners						
Salaries and Wages	623,000.00	623,000.00	603,425.63	19,574.37		
Other Expenses	148,200.00	148,200.00	148,066.92	133.08		
Senior Center						
Salaries and Wages	99,000.00	103,100.00	102,188.76	911.24		
Other Expenses	17,000.00	17,000.00	16,851.79	148.21		
<u>Municipal Court</u>						
Municipal Court						
Salaries and Wages	388,000.00	388,500.00	388,496.11	3.89		
Other Expenses	16,600.00	16,100.00	9,104.87	6,995.13		
Public Defender						
Other Expenses	5,000.00	15,000.00	15,000.00			

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

	Appropriated			Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Paid or Charged	Reserved	
<u>Uniform Construction Code</u>						
State Uniform Construction Code Official						
Salaries and Wages	\$ 556,000.00	\$ 553,000.00	\$ 399,438.53	\$ 153,561.47	\$	
Other Expenses	26,000.00	26,000.00	15,950.72	10,049.28		
<u>Unclassified</u>						
Utilities:						
Electricity	325,000.00	325,000.00	219,154.03	105,845.97		
Street Lighting	425,000.00	425,000.00	242,675.42	182,324.58		
Telephone	105,000.00	105,000.00	76,457.96	28,542.04		
Natural Gas	105,000.00	105,000.00	68,850.34	36,149.66		
Water and Sewer	87,000.00	87,000.00	67,702.20	19,297.80		
Fuel Oil and Gasoline	525,000.00	525,000.00	262,804.78	262,195.22		
Total Operations within Caps	<u>26,186,821.00</u>	<u>26,186,621.00</u>	<u>23,362,840.46</u>	<u>2,823,780.54</u>		
Contingent	1.00	1.00		1.00		
Total Operations (Including Contingent) within Caps	<u>26,186,822.00</u>	<u>26,186,622.00</u>	<u>23,362,840.46</u>	<u>2,823,781.54</u>		
Detail:						
Salaries and Wages	14,934,000.00	14,939,600.00	13,969,285.58	970,314.42		
Other Expenses	<u>11,252,822.00</u>	<u>11,247,022.00</u>	<u>9,393,554.88</u>	<u>1,853,467.12</u>		
<u>STATUTORY EXPENDITURES WITHIN CAPS</u>						
Contribution to:						
Public Employees Retirement System	618,700.00	618,700.00	617,227.50	1,472.50		
Social Security System (O.A.S.I.)	1,147,000.00	1,147,000.00	1,013,650.19	133,349.81		
Police and Firemen's Retirement System of NJ	1,734,321.00	1,734,321.00	1,734,321.00			
Unemployment Compensation Insurance	1,000.00	1,000.00		1,000.00		
Defined Contribution Retirement Program	2,500.00	2,700.00	2,415.78	284.22		
Sick Leave Trust Account	35,000.00	35,000.00	35,000.00			
Total Statutory Expenditures within Caps	<u>3,538,521.00</u>	<u>3,538,721.00</u>	<u>3,402,614.47</u>	<u>136,106.53</u>		
Total Appropriations within Caps	<u>29,725,343.00</u>	<u>29,725,343.00</u>	<u>26,765,454.93</u>	<u>2,959,888.07</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 6 of 9

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Reserved	Reserved	
<u>OPERATIONS EXCLUDED FROM CAPS</u>						
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	
<u>Shared Service Agreements</u>						
Bureau of Fire Prevention						
Salaries and Wages	6,000.00	6,000.00	1,122.41		4,877.59	
Board of Health						
Salaries and Wages	102,000.00	102,000.00	101,105.85		894.15	
Other Expenses	41,471.00	41,471.00	34,874.58		6,596.42	
Road Repair and Maintenance						
Fuel Oil						
Other Expenses	325,000.00	325,000.00	189,139.44		135,860.56	
Equipment Maintenance						
Other Expenses	35,000.00	35,000.00	35,000.00			
Police Special Services						
Salaries and Wages	24,000.00	24,000.00	18,981.66		5,018.34	
Information Technology						
Salaries and Wages						
Manalapan Township	90,000.00	90,000.00	81,278.70		8,721.30	
Freehold Borough	17,000.00	17,000.00	16,708.62		291.38	
Dispatch Services						
County of Monmouth						
Other Expenses	377,000.00	377,000.00	376,585.21		414.79	
Operational Services						
Salaries and Wages						
Keypoint Borough	21,000.00	21,000.00	20,004.74		995.26	
Freehold Regional	15,000.00	15,000.00	14,814.37		185.63	
Construction Code						
Salaries and Wages						
Jackson Township	52,000.00	52,000.00	51,721.60		278.40	

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

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Construction Code (Continued)						
Other Expenses	\$ 50,000.00	\$	50,000.00	\$ 28,950.00	\$ 21,050.00	\$
Freehold Borough			7,000.00	7,000.00		
Board of Health - Emergency Preparedness			3,000.00	825.79	2,174.21	
County of Monmouth						
Salaries and Wages						
Other Expenses						
<u>Public and Private Programs Offset by Revenues</u>						
State Grants:						
Alcohol Education and Rehabilitation Act						
Alliance to Prevent Alcoholism and Drug Abuse:						
State Share	41,010.00		41,010.00	41,010.00		
Local Share	10,252.50		10,252.50	10,252.50		
State Grants:						
Body Armor Fund	5,898.49		5,898.49	5,898.49		
Clean Communities Program			81,154.50	81,154.50		
Green Communities Program						
State Share	3,000.00		3,000.00	3,000.00		
Local Share	3,000.00		3,000.00	3,000.00		
Recycling Tonnage Grant	96,424.33		96,424.33	96,424.33		
Safe and Secure Communities Program:						
State Share	60,000.00		60,000.00	60,000.00		
Local Share	30,000.00		30,000.00	30,000.00		
Safe Corridors			54,675.51	54,675.51		
Federal Grants:						
Click It or Ticket	4,000.00		4,000.00	4,000.00		
Total Operations excluded from Caps	<u>1,443,808.32</u>		<u>1,589,638.33</u>	<u>1,376,780.30</u>	<u>212,858.03</u>	
Detail:						
Salaries and Wages	417,000.00		424,000.00	402,737.95	21,262.05	
Other Expenses	<u>1,026,808.32</u>		<u>1,165,638.33</u>	<u>974,042.35</u>	<u>191,595.98</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

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
Capital Improvement Fund	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$	\$
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>					
Payment of Bond Principal	2,790,000.00	2,790,000.00	2,790,000.00		
Payment of Bond Anticipation and Capital Notes	900,000.00	900,000.00	900,000.00		
Interest on Bonds	603,663.00	603,663.00	603,662.75		.25
Interest on Notes	115,000.00	115,000.00	114,680.55		319.45
Green Trust Loan Program	448,089.00	448,089.00	448,088.93		.07
M.C.I.A. Bond Principal	372,000.00	372,000.00	372,000.00		
M.C.I.A. Bond Interest	191,603.00	191,603.00	191,602.50		.50
M.C.I.A. Lease Principal	156,740.00	156,740.00	56,576.05		100,163.95
M.C.I.A. Lease Interest	42,065.00	42,065.00	42,035.20		29.80
Total Municipal Debt Service excluded from Caps	<u>5,619,160.00</u>	<u>5,619,160.00</u>	<u>5,518,645.98</u>		<u>100,514.02</u>
<u>DEFERRED CHARGES EXCLUDED FROM CAPS</u>					
Special Emergency Authorizations	70,000.00	70,000.00	70,000.00		
<u>TRANSFERRED TO BOARD OF EDUCATION</u>					
Board of Education	949,080.00	949,080.00	949,080.00		
Total General Appropriations excluded from Caps	<u>8,232,048.32</u>	<u>8,377,878.33</u>	<u>8,064,506.28</u>		<u>212,858.03</u>
Subtotal General Appropriations	<u>37,957,391.32</u>	<u>38,103,221.33</u>	<u>34,829,961.21</u>		<u>3,172,746.10</u>
Reserve for Uncollected Taxes	<u>1,700,577.35</u>	<u>1,700,577.35</u>	<u>1,700,577.35</u>		
Total General Appropriations	<u>\$ 39,657,968.67</u>	<u>\$ 39,803,798.68</u>	<u>\$ 36,530,538.56</u>		<u>\$ 3,172,746.10</u>

Ref.

A

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

	<u>Ref.</u>	<u>Appropriated Budget After Modification</u>
Budget	<u>A-2</u>	\$ 39,657,968.67
Added by N.J.S. 40A:4-87	A	<u>145,830.01</u>
	A-3	\$ <u>39,803,798.68</u>
	<u>Ref.</u>	<u>Expended Paid or Charged</u>
Disbursements	<u>A-4</u>	\$ 33,791,037.71
Reserve for:		
Encumbrances	A	535,545.09
Tax Appeals		50,000.00
Uncollected Taxes	A-2	1,700,577.35
Special Emergency Authorization Raised		70,000.00
Prepaid Health Premiums	A	(6,036.92)
Interfund - Grant Fund	A-13	<u>389,415.33</u>
	A-3	\$ <u>36,530,538.56</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, 2015 AND 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ <u>85,345.40</u>	\$ <u>81,752.60</u>
<u>Other Trust Fund</u>			
Cash	B-1	<u>11,638,241.38</u>	<u>10,744,408.84</u>
		\$ <u>11,723,586.78</u>	\$ <u>10,826,161.44</u>
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Prepaid Licenses	B-1,3	\$ 13,445.60	\$ 13,661.20
Due State of New Jersey	B-2		1.20
Reserve for Animal Control Trust Fund	B-3	49,491.00	53,144.40
Interfund - Current Fund	B-4	<u>22,408.80</u>	<u>14,945.80</u>
		<u>85,345.40</u>	<u>81,752.60</u>
<u>Other Trust Fund</u>			
Miscellaneous Reserves	B-5	11,427,317.61	10,672,732.47
Interfund - Current Fund	B-6	<u>210,923.77</u>	<u>71,676.37</u>
		<u>11,638,241.38</u>	<u>10,744,408.84</u>
		\$ <u>11,723,586.78</u>	\$ <u>10,826,161.44</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, 2015 AND 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash and Cash Equivalents	C-2	\$ 7,392,843.61	\$ 10,193,059.19
Grants Receivable	C-2	605,745.04	159,434.04
Loan Receivable		311,890.39	311,890.39
Accounts Receivable			
Offset with Reserves		34,000.00	34,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	27,840,259.12	23,265,405.45
Unfunded	C-5	29,588,431.70	29,680,823.70
Capital Lease		<u>2,027,850.00</u>	<u>1,192,590.00</u>
		<u>\$ 67,801,019.86</u>	<u>\$ 64,837,202.77</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	\$ 26,302,000.00	\$ 21,316,000.00
Green Trust Loan	C-7	1,538,259.12	1,949,405.45
Bond Anticipation Notes	C-8	5,642,000.00	11,500,000.00
Interfund - Current Fund		36,000.00	35,700.00
Improvement Authorizations:			
Funded	C-9	1,779,951.45	138,130.98
Unfunded	C-9	28,180,247.74	26,234,926.13
Capital Improvement Fund	C-10	129,133.41	715,525.41
Down Payments on Improvements	C-11	95,737.00	95,737.00
M.C.I.A. Lease Payable	C-12	2,027,850.00	1,192,590.00
Reserve for:			
Debt Service	C-2	262,525.92	480.72
Historical Preservation		15,590.20	15,590.20
Improvements		21,376.00	21,376.00
Reserve for Receivables:			
Accounts Receivables		34,000.00	34,000.00
Loans Receivable		311,890.39	311,890.39
Fund Balance	C-1	<u>1,424,458.63</u>	<u>1,275,850.49</u>
		<u>\$ 67,801,019.86</u>	<u>\$ 64,837,202.77</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 201 of \$23,946,431.70 and \$18,180,823.70, 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

Balance December 31, 2014	<u>Ref.</u> C	\$ 1,275,850.49
Increased by:		
Receipts:		
Premiums on Sale of Bonds and Notes		<u>240,033.14</u>
		<u>1,515,883.63</u>
Decreased by:		
Capital Fund Balance to Current Fund		<u>91,425.00</u>
Balance December 31, 2015	C	<u>\$ 1,424,458.63</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,
RESERVES AND FUND BALANCE - REGULATORY BASIS**

Sheet 1 of 2

DECEMBER 31, 2015 AND 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents	D-6	\$ 4,437,660.02	\$ 3,721,639.04
Investments		5,563,794.00	5,482,479.00
Cash - Change Fund		100.00	100.00
		<u>10,001,554.02</u>	<u>9,204,218.04</u>
Receivables with Full Reserves:			
Water Charges Receivable	D-9	256,844.26	185,879.36
Sewer Charges Receivable	D-10	354,297.55	289,226.52
Bankruptcy Utility Charges		1,142.36	1,142.36
		<u>612,284.17</u>	<u>476,248.24</u>
Interfund - Water-Sewer Utility Capital Fund	D-6	23,411.48	128,575.89
		<u>635,695.65</u>	<u>604,824.13</u>
Total Operating Fund		<u>10,637,249.67</u>	<u>9,809,042.17</u>
Assessment Trust Fund:			
Cash and Cash Equivalents	D-6	339,902.21	304,574.01
Assessments Receivable	D-11	43,739.97	79,068.17
Total Assessment Trust Fund		<u>383,642.18</u>	<u>383,642.18</u>
Capital Fund:			
Cash and Cash Equivalents	D-6	8,132,793.59	6,183,252.19
Grants Receivable		268,000.00	
Accounts Receivable	D-12	34,172.00	34,172.00
Fixed Capital	D-13	51,094,247.50	50,999,247.50
Fixed Capital Authorized and Uncompleted	D-14	16,941,834.91	14,449,834.91
Total Capital Fund		<u>76,471,048.00</u>	<u>71,666,506.60</u>
		<u>\$ 87,491,939.85</u>	<u>\$ 81,859,190.95</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, 2015 AND 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance (Continued)</u>			
Operating Fund:			
Appropriation Reserves	D-5,15	\$ 1,214,913.82	\$ 1,134,667.35
Reserve for Encumbrances	D-5,15	85,174.11	88,452.39
Prepaid Water-Sewer Rents	D-6,9,10	18,217.67	16,493.17
Accrued Interest on Bonds and Notes	D-16	78,262.47	58,214.46
		<u>1,396,568.07</u>	<u>1,297,827.37</u>
Reserve for Receivables		612,284.17	476,248.24
Operating Fund Balance	D-3	8,628,397.43	8,034,966.56
Total Operating Fund		<u>10,637,249.67</u>	<u>9,809,042.17</u>
Assessment Trust Fund:			
Reserve for Assessments and Liens	D-17	43,739.97	79,068.17
Fund Balance	D-2	339,902.21	304,574.01
Total Assessment Trust Fund		<u>383,642.18</u>	<u>383,642.18</u>
Capital Fund:			
Interfund - Water-Sewer Utility Operating Fund		23,411.48	128,575.89
Improvement Authorizations:			
Funded	D-18	4,795,937.98	
Unfunded	D-18	5,378,745.51	8,150,305.32
Capital Improvement Fund	D-19	418,195.00	287,195.00
Reserve for Amortization	D-20	48,200,297.50	47,187,737.50
Deferred Reserve for Amortization	D-21	1,976,038.52	663,150.00
Serial Bonds	D-22	11,584,000.00	7,025,000.00
Bond Anticipation Notes	D-23	2,632,000.00	6,900,000.00
M.C.I.A. Lease Payable	D-24	58,950.00	66,510.00
Reserve for Infrastructure Contribution		73,306.08	72,169.80
Reserve for Accounts Receivable		34,172.00	34,172.00
Fund Balance	D-1	1,295,993.93	1,151,691.09
Total Capital Fund		<u>76,471,048.00</u>	<u>71,666,506.60</u>
		<u>\$ 87,491,939.85</u>	<u>\$ 81,859,190.95</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$3,584,796.39 and \$3,630,096.39 respectively (Exhibit D-25).

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

Balance December 31, 2014	<u>Ref.</u> D	\$ 1,151,691.09
Increased by:		
Premium on Sale of Bonds and Notes	D-6	<u>144,302.84</u>
Balance December 31, 2015	D	<u><u>\$ 1,295,993.93</u></u>

WATER-SEWER UTILITY ASSESSMENT FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Exhibit D-2

Balance December 31, 2014	<u>Ref.</u> D	\$ 304,574.01
Increased by:		
Collection of Unpledged Assessments		<u>35,328.20</u>
Balance December 31, 2015	D	<u><u>\$ 339,902.21</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**

DECEMBER 31, 2015 AND 2014

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	D-4	\$ 3,082,476.00	\$ 3,445,476.00
Rents:			
Water Charges	D-4	4,398,522.84	4,000,184.74
Sewer Charges	D-4	7,574,818.97	7,346,929.84
Miscellaneous:			
Fire Hydrant Service	D-4	201,905.38	199,035.08
Water Connection Fees	D-4	188,081.79	506,381.17
Sewer Connection Fees	D-4	113,805.45	363,306.10
Interest on Deposits	D-4	81,314.51	103,251.26
Miscellaneous Revenue Anticipated	D-4	105,867.66	84,724.34
Other Credits to Income:			
Prior Year Sewer Charge Reimbursement	D-6	254,385.13	588,148.23
Unexpended Balance of Appropriation Reserves	D-15	956,150.00	1,078,571.54
Accounts Payable Cancelled	D		1,005.07
Total Income		<u>16,957,327.73</u>	<u>17,717,013.37</u>
<u>Budget and Other Expenditures</u>			
Budget:			
Operating		10,266,260.00	10,371,442.00
Capital Improvements		765,000.00	93,500.00
Debt Service		1,965,704.86	1,882,743.96
Statutory Expenditures		284,456.00	281,430.00
	D-5	<u>13,281,420.86</u>	<u>12,629,115.96</u>
Excess in Revenues		3,675,906.87	5,087,897.41
Fund Balance January 1	D	8,034,966.56	6,392,545.15
		<u>11,710,873.43</u>	<u>11,480,442.56</u>
Decreased by:			
Utilization by:			
Water-Sewer Operating Budget	D-3	<u>3,082,476.00</u>	<u>3,445,476.00</u>
Fund Balance December 31	D	<u>\$ 8,628,397.43</u>	<u>\$ 8,034,966.56</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

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-3	\$ 3,082,476.00	\$ 3,082,476.00	\$
Water Rents	D-3,9	3,500,000.00	4,398,522.84	898,522.84
Sewer Rents	D-3,10	6,500,000.00	7,574,818.97	1,074,818.97
Miscellaneous:				
Water Connection Fees	D-3,6	25,000.00	188,081.79	163,081.79
Sewer Connection Fees	D-3,6	25,000.00	113,805.45	88,805.45
Interest on Investments	D-3,6	25,000.00	81,314.51	56,314.51
Fire Hydrant Service	D-3,9	120,000.00	201,905.38	81,905.38
Miscellaneous Other	D-3,4	30,000.00	105,867.66	75,867.66
		<u>\$ 13,307,476.00</u>	<u>\$ 15,746,792.60</u>	<u>\$ 2,439,316.60</u>
	Ref.	D-5		
<u>Analysis of Miscellaneous Other</u>				
Interest on Delinquent Accounts			\$ 39,966.81	
Interest on Delinquent Assessments			354.45	
Meter Installation			12,396.84	
Reconnect and Disconnect Fees			6,234.79	
NSF Check Fees			1,761.96	
Miscellaneous Other			45,152.81	
	D-4,6		<u>\$ 105,867.66</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

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating					
Salaries and Wages	\$ 1,513,000.00	\$ 1,513,000.00	\$ 1,432,610.51	\$ 80,389.49	\$
Other Expenses	8,773,760.00	8,753,260.00	7,646,207.19	1,107,052.81	
Capital Improvements					
Capital Improvement Fund	600,000.00	600,000.00	600,000.00		
Capital Outlay	165,000.00	165,000.00	146,948.84	18,051.16	
Debt Service					
Payment of Bond Principal	1,005,000.00	1,005,000.00	1,005,000.00		
Payment of Bond Anticipation Notes	600,000.00	600,000.00	576,588.52		23,411.48
Interest on Bonds	284,800.00	305,300.00	305,181.90		118.10
Interest on Notes	71,000.00	71,000.00	68,474.44		2,525.56
M.C.I.A. - Principal	7,560.00	7,560.00	7,560.00		
M.C.I.A. - Interest	2,900.00	2,900.00	2,900.00		
Statutory Expenditures					
Contribution to:					
Public Employees' Retirement System	164,456.00	164,456.00	164,456.00		
Social Security System (O.A.S.I.)	120,000.00	120,000.00	110,579.64	9,420.36	
	<u>\$ 13,307,476.00</u>	<u>\$ 13,307,476.00</u>	<u>\$ 12,066,507.04</u>	<u>\$ 1,214,913.82</u>	<u>\$ 26,055.14</u>
Ref.	D-4	D-3	D	D	D-3
Reserve for Encumbrances			\$ 85,174.11		
Disbursements			11,607,676.59		
Accrued Interest on Bonds and Notes			<u>373,656.34</u>		
			<u>\$ 12,066,507.04</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, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
General Fixed Assets:		
Land	\$ 109,753,200.00	\$ 109,753,200.00
Buildings and Improvements	12,123,800.00	12,123,800.00
Equipment	4,041,004.83	3,716,013.33
Motor Vehicles and Equipment	<u>8,732,912.05</u>	<u>8,438,433.57</u>
	<u>\$ 134,650,916.88</u>	<u>\$ 134,031,446.90</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 134,650,916.88</u>	<u>\$ 134,031,446.90</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, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash	\$ <u>141,062.30</u>	\$ <u>150,252.21</u>
<u>Liabilities</u>		
Due to Various Agencies	\$ <u>141,062.30</u>	\$ <u>150,252.21</u>

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

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**TOWNSHIP OF FREEHOLD
COUNTY OF MONMOUTH, NEW JERSEY**

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

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TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Township of 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 2015.

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 (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

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.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

Deferred Charges - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2015 is set forth in Note 9.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as 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, 2015 is set forth in Note 4.

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

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.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

General Fixed Assets - In accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Township has developed a fixed assets accounting and reporting system 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 2015 and 2014 the following changes occurred in the fixed assets of the Township:

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Utility Fixed Assets (Continued)

	Balance Jan. 1, 2015	Expended from			Transfers/ Cancelled	Balance Dec. 31, 2015
		Current/ Capital Funds	Utility Fund	Less: Disposals		
General Fixed Assets Account Group:						
Land	\$ 109,753,200	\$	\$	\$	\$	\$ 109,753,200
Buildings and Improvements	12,123,800					12,123,800
Equipment	3,716,013	526,781		200,236	(1,553)	4,041,005
Motor Vehicles and Equipment	8,438,434	627,416		370,205	37,267	8,732,912
	<u>134,031,447</u>	<u>1,154,197</u>		<u>570,441</u>	<u>35,714</u>	<u>134,650,917</u>
Water-Sewer Utility Capital Fund:						
Fixed Capital	50,999,248		95,000			51,094,248
Fixed Capital Authorized and Uncompleted	14,449,835		2,492,000			16,941,835
	<u>65,449,083</u>		<u>2,587,000</u>			<u>68,036,083</u>
	<u>\$ 199,480,530</u>	<u>\$ 1,154,197</u>	<u>\$ 2,587,000</u>	<u>\$ 570,441</u>	<u>\$ 35,714</u>	<u>\$ 202,687,000</u>

	Balance Jan. 1, 2014	Expended from			Transfers/ Cancelled	Balance Dec. 31, 2014
		Current/ Capital Funds	Utility Fund	Less: Disposals		
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>

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.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting

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

F. Impact of Recently Issued Accounting Principles

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

NOTE 2. CASH AND CASH EQUIVALENTS

A. Deposits

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

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

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

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

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

At year-end the carrying amount of the Township's deposits was \$49,121,896 and the bank balance amount was \$49,662,659. 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 \$46,709,378. An amount of \$2,453,281 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.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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);
 - (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.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

At year-end, the carrying value of the Township's investments and the investment balance was \$21,519,458.

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, \$210,069 and \$62,728 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, 2015.

<u>Description of Securities</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Unrealized Loss</u>
Government Bonds:			
Current Fund	\$ 15,955,664	\$ 15,745,595	\$ 210,069
Water-Sewer Utility Fund	5,563,794	5,501,066	62,728

C. Cash Management Plan

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

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

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

D. Credit Risk Categories

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2015</u>	<u>2014</u>
Insured:		
FDIC	\$ 500,000	\$ 500,000
GUDPA	46,709,378	43,857,355
Uninsured	21,519,458	21,207,403
Escrow Deposits	<u>2,453,281</u>	<u>3,147,396</u>
	<u>\$ 71,182,117</u>	<u>\$ 68,712,154</u>

Custodial Credit Risk - Deposits

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

State law limits investments as noted above.

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

NOTE 3. DEBT

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 (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

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, 2017	\$ 1,030,000
4.125% to 4.25% Open Space Bonds Issued July 26, 2007, installment maturities to July 1, 2017	580,000
3.00% to 5.25% General Improvement Bonds Issued June 1, 2008, installment maturities to December 1, 2023	3,664,000
3.00% to 4.00% General Obligation Refunding Bonds Issued December 16, 2009, installment maturities to September 15, 2016	700,000
3.00% to 5.00% Open Space Refunding Bonds Issued December 16, 2009, installment maturities to September 16, 2021	245,000
1.50% to 3.00% General Obligation Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2018	2,850,000
1.50% to 3.50% Open Space Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2014	550,000
2.00% to 3.25% General Obligation Bonds Issued December 1, 2014, installment maturities to December 1, 2026	4,895,000
1.00% to 4.00% General Obligation Refunding Bonds Issued September 10, 2015, installment maturities to July 15, 2021	1,970,000
1.00% to 4.00% Open Space Refunding Bonds Issued September 10, 2015, installment maturities to July 15, 2022	1,560,000
2.00% to 4.00% General Obligation Bonds Issued December 1, 2015, installment maturities to November 1, 2027	<u>8,258,000</u>
	\$ <u>26,302,000</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Water-Sewer Utility Capital Fund

4.125% to 4.25% Utility Bonds Issued July 26, 2007, Installment maturities to July 15, 2017	\$ 400,000
3.00% to 5.00% Utility Refunding Bonds Issued December 16, 2009, installment maturities to September 15, 2021	2,930,000
1.50% to 3.50% Utility Refunding Bonds Issued October 1, 2012, installment maturities to October 1, 2024	1,490,000
1.00% to 4.00% Utility Refunding Bonds Issued September 10, 2015, installment maturities to July 15, 2022	1,295,000
2.00% to 4.00% Utility Bonds Issued December 11, 2015, installment maturities to November 1, 2027	<u>5,469,000</u>
	\$ <u>11,584,000</u>

The General Capital Fund Bonds and Water-Sewer Utility Capital Fund mature serially in installments to the year 2027. Aggregate debt service requirements are as follows:

General Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 3,804,000	\$ 839,643
2017	3,387,000	755,231
2018	3,353,000	631,851
2019	2,430,000	514,494
2020	2,475,000	419,469
2021-25	8,788,000	928,719
2026-27	<u>2,065,000</u>	<u>87,975</u>
Total	\$ <u>26,302,000</u>	\$ <u>4,177,382</u>

Water-Sewer Utility Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,379,000	\$ 369,175
2017	1,420,000	343,175
2018	1,485,000	281,025
2019	1,200,000	219,325
2020	1,215,000	169,575
2021-25	3,860,000	361,950
2026-27	<u>1,025,000</u>	<u>36,062</u>
Total	\$ <u>11,584,000</u>	\$ <u>1,780,287</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

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, 2015 was \$1,538,259. Loan payments are due through 2027.

Debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 357,227	\$ 28,679
2017	271,896	21,823
2018	261,183	16,655
2019	145,358	11,864
2020	72,800	9,690
2021-25	374,111	25,902
2026-27	<u>55,684</u>	<u>1,107</u>
Total	\$ <u>1,538,259</u>	\$ <u>115,720</u>

B. Short-Term Debt

On December 31, 2015, the Township's outstanding Bond Anticipation Notes were as follows:

<u>Ordinance Number</u>		<u>Amount</u>	<u>Interest Rate</u>
	<u>General Capital Fund</u>		
03-09	Various Improvements	\$ 153,000	2.00%
05-19	Various Improvements	5,000	2.00%
05-35	Various Improvements	5,000	2.00%
06-21	Various Improvements	234,800	2.00%
06-21	Various Improvements	131,000	2.00%

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

B. Short-Term Debt (Continued)

<u>Ordinance Number</u>		<u>Amount</u>	<u>Interest Rate</u>
	<u>General Capital Fund</u>		
07-14, 08-29	Various Improvements	\$ 668,500	2.00%
09-16	Various Improvements	24,500	2.00%
09-16	Various Improvements	227,000	2.00%
11-20	Various Improvements	395,000	2.00%
12-19	Various Improvements	48,200	2.00%
12-19	Various Improvements	1,350,000	2.00%
14-05	Various Improvements	400,000	2.00%
15-10	Various Improvements	<u>2,000,000</u>	2.00%
		\$ <u>5,642,000</u>	

<u>Ordinance Number</u>		<u>Amount</u>	<u>Interest Rate</u>
	<u>Water-Sewer Utility Capital Fund</u>		
02-14, 04-31	Improvements to the Water System	\$ 450,000	2.00%
05-20	Various Improvements to the Water-Sewer System	6,000	2.00%
10-22	Various Improvements to the Water-Sewer System	213,200	2.00%
11-21	Various Improvements to the Water-Sewer System	197,400	2.00%
12-13	Various Improvements to the Water-Sewer System	271,400	2.00%
15-11	Various Improvements to the Water-Sewer System	<u>1,494,000</u>	2.00%
		\$ <u>2,632,000</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>2015</u>	<u>2014</u>
General Capital Fund	\$ 23,946,432	\$ 18,180,824
Water-Sewer Utility Capital Fund	3,584,796	3,630,096

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 3. DEBT (CONTINUED)

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2015 and 2014 was .856% and .787%, respectively. The Township's remaining borrowing power at December 31, 2015 and 2014 was 2.644% and 2.713%, 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 2011, 2013 and 2015 capital equipment leases by the Freehold Township School District. The outstanding balance of the lease at December 31, 2015 and 2014 was \$866,000 and \$516,000, respectively.

F. Summary of Debt Activity

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

	<u>Balance</u> <u>Jan. 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Due within</u> <u>One Year</u>
General Capital Fund:					
Serial Bonds	\$ 21,316,000	\$ 11,788,000	\$ 6,802,000	\$ 26,302,000	\$ 3,804,000
Bond Anticipation Notes	11,500,000	2,694,000	8,552,000	5,642,000	5,642,000
Green Trust Loans	1,946,405		411,146	1,538,259	357,227
Water-Sewer Utility Capital Fund:					
Serial Bonds	7,025,000	6,764,000	2,205,000	11,584,000	1,379,000
Bond Anticipation Notes	6,900,000	1,500,000	5,768,000	2,632,000	2,632,000
	\$ <u>48,687,405</u>	\$ <u>22,746,000</u>	\$ <u>23,738,146</u>	\$ <u>47,695,259</u>	\$ <u>13,814,227</u>
	<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	11,500,000
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	6,900,000
	\$ <u>46,513,451</u>	\$ <u>7,652,500</u>	\$ <u>5,478,546</u>	\$ <u>48,687,405</u>	\$ <u>22,941,136</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

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 \$1,024,812 and \$999,551 at December 31, 2015 and 2014. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5. FUND BALANCES

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>2015</u>	<u>2014</u>
Current Fund	\$ 5,076,000	\$ 5,572,626
Water-Sewer Utility Fund	3,065,817	3,082,476

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>2015</u>	<u>2014</u>
Prepaid Taxes	\$ 742,429	\$ 556,404
Prepaid Water-Sewer Utility Charges	18,218	16,493

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.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

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

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

NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

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

NOTE 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015 the following deferred charge is reflected on the balance sheet of the Current Fund:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>2016 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Special Emergency Authorizations: N.J.S. 40A:4-55	\$ 105,000	\$ 70,000	\$ 35,000

NOTE 10. PENSION OBLIGATIONS

A. Public Employees' Retirement System (PERS)

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$783,156 for 2015.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

Contributions (Continued)

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$21,494,682. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .09575%, which was a decrease of .00076% from its proportion measured as of June 30, 2014.

<u>Collective Balances at December 31, 2015 & December 31, 2014</u>		
	12/31/2015	12/31/2014
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	21,494,682.00	17,786,364.00
Township's Portion of the Plan's Total Net Pension Liability	0.09575%	0.09500%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$1,341,953.

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

	<u>PERS</u>
Measurement Date	June 30, 2015
Actuarial Valuation Date	July 1, 2014
Investment Rate of Return	7.90%
Salary Scale	2012-2021 - 2.15-4.40% Based on Age Thereafter 3.15-5.40% Based on Age
Inflation Rate	3.04%

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

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

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

	<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	(3.90%)	(4.90%)	(5.90%)
District's proportionate share of the net pension liability	\$ 26,715,259.73	\$ 21,494,682.00	\$ 17,117,787.35

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

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

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

The following represents the membership tiers for PFRS:

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

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$1,734,321 for 2015.

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

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

Net Pension Liability and Pension Expense - At December 31, , the Township's proportionate share of the PFRS net pension liability is valued to be \$37,469,567. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .22495%, which was a decrease of .00085% from its proportion measured as of June 30, 2014.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

Collective Balances at December 31, 2015 & December 31, 2014		
	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	37,469,567.00	28,403,890.00
District's Portion of the Plan's Total		
Net Pension Liability	0.22495%	0.22580%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$3,254,841.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$3,285,955.00 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .22495%, which was an increase of .00085% from its proportion measured as of June 30, 2014, which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 37,469,567.00
State's Proportionate Share of the Net Pension Liability Associated with the Township	3,285,955.00
Total Net Pension Liability	\$ 40,755,522.00

For the year ended December 31, 2015, the Township's total allocated pension expense was \$3,664,716.00.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

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

	<u>PFRS</u>
Measurement Date	June 30, 2015
Actuarial Valuation Date	July 1, 2014
Investment Rate of Return	7.90%
Salary Scale	2012-2021 - 2.60-9.48% Based on Age Thereafter 3.60-10.48% Based on Age
Inflation Rate	3.04%

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

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

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

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

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

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 10. PENSION OBLIGATIONS (CONTINUED)

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

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 53,728,716.86	\$ 40,755,522.00	\$ 30,177,040.73

Pension Plan Fiduciary Net Position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial statements.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.SA 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1* et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

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

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 2015 and 2014, expenditures, net of contributions, of \$1,984,022 and \$2,028,987, respectively, were recognized for postretirement health care.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

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.

	Balance December 31			
	Local District School Taxes		Regional District School Taxes	
	2015	2014	2015	2014
Balance of Tax	\$ 31,399,353	\$ 30,191,984	\$ 12,925,221	\$ 12,760,345
Deferred	<u>25,566,589</u>	<u>25,566,589</u>		
Tax Payable	<u>\$ 5,832,764</u>	<u>\$ 4,625,395</u>	<u>\$ 12,925,221</u>	<u>\$ 12,760,345</u>

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, 2015, the Township estimates that no material liabilities will result from such audits.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 13. CONTINGENT LIABILITIES

Major Tax Assessments

Taxpayers in 2015 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	\$ 380,215,900	6.45%
Avalon Bay Communities	60,585,800	1.03%

Tax Appeals

The Township has reserved \$151,961 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, 2015:

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 269,333	\$ 364,990
Grant Fund	364,990	
Animal Control Trust Fund		22,409
Other Trust Fund		210,924
General Capital Fund		36,000
Water-Sewer Utility Operating Fund	23,411	
Water-Sewer Utility Capital Fund	<u> </u>	<u>23,411</u>
	\$ <u>657,734</u>	\$ <u>657,734</u>

The purpose of these interfunds is short-term borrowing.

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>
2016	\$ 379,470	\$ 85,475	\$ 7,830	\$ 2,600
2017	345,310	74,860	8,190	2,210
2018	270,270	59,335	8,730	1,800
2019	253,700	46,400	6,300	1,360
2020	266,430	34,580	6,570	1,110
2021-25	<u>512,670</u>	<u>57,420</u>	<u>21,330</u>	<u>1,710</u>
Total	\$ <u>2,027,850</u>	\$ <u>358,070</u>	\$ <u>58,950</u>	\$ <u>10,790</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, 2015 and 2014 is \$311,890.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

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, 2015 and 2014 is \$130,194 and \$142,129, 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, 2015 and 2014 is \$1,011,111.

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, 2015 is as follows (in thousands):

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

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

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost</u>	<u>Annual Percentage Contributed</u>	<u>Net OPEB Obligation</u>			
12/31/2014	\$ 10,701		16.96%	\$ 27,495			
		Actuarial	Unfunded				
		I	Actuarial	Ratio of			
		Accrued	Accrued	UAAL to			
<u>Year Ended</u>	<u>Valuation Date</u>	<u>Value of Assets {a}</u>	<u>Liability (AAL) {b}</u>	<u>Liability (UAAL) {c}={b}-{a}</u>	<u>Funded Ratio {a}/{c}</u>	<u>Covered Payroll {d}</u>	<u>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.

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.

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

NOTE 20. SUBSEQUENT EVENTS

On March 3, 2016, The Township issued \$2,345,000 General Obligation Refunding Bonds, Series 2016, the proceeds of the Bonds were used to currently refund the Township's General Obligation Bonds, Series 2008 maturing on December 1, 2023. The bonds were dated March 24, 2016, with interest rates of 2.00% to 5.00%, maturing in the years 2016 through 2028. Interest on the bonds is payable initially on June 1st and December 1st in each year, commencing June 1, 2016. The Refunding Bonds are subject to redemption prior to maturity as set forth in the Bond Resolution.

TOWNSHIP OF FREEHOLD
COUNTY OF MONMOUTH
PART II
SUPPLEMENTARY DATA
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2015

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COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	\$ <u>2.258</u>	\$ <u>2.349</u>	\$ <u>2.293</u>
Apportionment of Tax Rate			
Net County Levy	.284	.295	.292
County Library Tax	.019	.019	.019
County Open Space Tax	.016	.016	.016
Municipal Open Space Tax	.030	.030	.030
District School Tax	1.113	1.151	1.117
Regional School District	.452	.480	.471
Local Municipal Purpose Tax	.344	.358	.348
Fire Districts			
Number 1	.033	.040	.031
Number 2	.042	.044	.043
Assessed Valuation			
2015	\$ 5,893,958,100		
2014		\$ 5,482,575,400	
2013			\$ 5,486,811,000

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>
2015	\$ 135,634,660	\$ 134,155,415	99.00%
2014	131,597,302	130,281,757	99.00%
2013	128,004,464	126,792,531	99.05%

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>
2015	\$ 313,983	\$ 1,452,139	\$ 1,766,122	1.30%
2014	301,020	1,259,024	1,560,044	1.19%
2013	293,358	1,171,135	1,464,493	1.14%

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>
2015	\$ 584,150
2014	584,150
2013	584,150

COMPARISON OF WATER-SEWER UTILITY RENTS

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquents</u>	<u>Cash Collections</u>
2015	\$ 12,311,283	\$ 475,106	\$ 12,175,247
2014	11,541,211	481,121	11,546,157
2013	11,180,223	489,045	11,188,146

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>		
2015	\$ 7,053,814	\$ 5,076,000
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
<u>Water Utility Operating Fund</u>		
2015	\$ 8,628,397	\$ 3,065,817
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

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued</u>			
General:			
Bonds, Notes, and Loans	\$ 33,482,259	\$ 34,765,405	\$ 34,793,451
Board of Education Lease Guarantee	866,000	516,000	859,000
Water-Sewer Utility:			
Bonds and Notes	14,216,000	13,925,000	11,605,000
Assessment Bonds			<u>115,000</u>
	<u>48,564,259</u>	<u>49,206,405</u>	<u>47,372,451</u>
Less:			
Funds Temporarily Held to Pay Bonds:			
Water-Utility Assessment Fund			<u>115,000</u>
Net Debt Issued	<u>48,564,259</u>	<u>49,206,405</u>	<u>47,257,451</u>
 <u>Authorized but not Issued</u>			
General:			
Bonds and Notes	23,946,432	18,180,824	13,975,524
Water-Sewer Utility:			
Bonds and Notes	<u>3,584,796</u>	<u>3,630,096</u>	<u>3,133,147</u>
Total Authorized but not Issued	<u>27,531,228</u>	<u>21,810,920</u>	<u>17,108,671</u>
 Net Bonds and Notes Issued and			
Authorized but not Issued	\$ <u>76,095,487</u>	\$ <u>71,017,325</u>	\$ <u>64,366,122</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 .856%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 45,904,500	\$ 45,904,500	\$ -0-
Regional School District Debt	4,792,493	4,792,493	-0-
Water-Sewer Utility Debt	17,800,796	17,800,796	-0-
General Debt	<u>58,294,691</u>	<u>5,425,899</u>	<u>52,868,792</u>
	<u>\$ 126,792,480</u>	<u>\$ 73,923,688</u>	<u>\$ 52,868,792</u>

Net Debt \$52,868,792 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$6,174,027,747 = .856%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 216,090,971
Net Debt	<u>52,868,792</u>
Remaining Borrowing Power	\$ <u>163,222,179</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		\$ 15,746,793
Deductions:		
Operating and Maintenance Cost	\$ 10,550,716	
Debt Service per Water Account	<u>1,965,705</u>	
Total Deductions		<u>12,516,421</u>
Excess in Revenue		\$ <u>3,230,372</u>

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

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Thomas L. Cook	Mayor	
Anthony J. Ammiano	Deputy Mayor	
Barbara McMorrow	Committeewoman	
Lester Preston, Jr.	Committeeman	
David M. Salkin	Committeeman	
Teresa Warner	Clerk	
Theresa Patino	Deputy Clerk	
Peter R. Valesi	Administrator	
Robert F. Munoz, Esq.	Attorney	
Catherine M. Campbell	Chief Financial Officer, Treasurer	\$ (1)
Elizabeth Kiernan	Tax and Utility Collector	(1)
Nicole Sonnenblick	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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CURRENT FUND

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TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH

Balance December 31, 2014		\$ 31,346,099.94
Increased by Receipts:		
Taxes Receivable	\$ 134,629,791.00	
Revenue Accounts Receivable	13,476,385.29	
State of New Jersey (Ch. 20, P.L. 1971)	244,811.65	
Prepaid Taxes	742,429.04	
Tax Overpayments	107,128.82	
Interest and Costs on Taxes	316,154.69	
Prepaid Fees and Permits	27,190.00	
Miscellaneous Receivables	5,540.97	
Interfunds:		
Other Funds	56,331.87	
Grant Fund	353,479.68	
Due to State for Fees Collected	81,478.00	
Reserve for Prepaid Health Benefits	4,876.46	
Due to Freehold Shopping Center	3,514.00	
Police Special Duty Service	770,671.59	
Miscellaneous Revenue not Anticipated	1,018,965.71	
Petty Cash	1,050.00	
	<hr/>	151,839,798.77
		<hr/>
		183,185,898.71
Decreased by Disbursements:		
Budget Appropriations	33,791,037.71	
Appropriation Reserves	1,396,226.84	
Accounts Payable	3,737.50	
Tax Overpayments Refunded	348,459.02	
Due to State for Fees Collected	83,868.00	
Special District Tax	2,179,897.00	
Municipal Open Space Tax	1,768,187.00	
County Taxes	18,823,728.42	
Local School District Taxes	64,386,913.48	
Regional School District Taxes	26,483,555.60	
Interfunds:		
Other Funds	178,140.33	
Grant Fund	352,364.62	
Refund of Prior Year Revenue	38,637.45	
Police Special Duty Service	645,063.71	
Due to Freehold Shopping Center	4,109.00	
Petty Cash	1,050.00	
	<hr/>	150,484,975.68
		<hr/>
Balance December 31, 2015		\$ <u><u>32,700,923.03</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	Collected		Due from State of New Jersey	Transferred to Tax Title Liens	Cancelled	Balance
	Dec. 31, 2014	2014	2015				Dec. 31, 2015
2011	\$ 72.78	\$	\$	\$	\$	\$	\$ 72.78
2012		8,961.76	8,365.67				596.09
2013	.10	8,671.25	.10	(5,750.00)	1,036.81	1,378.38	8,671.25
2014	1,258,951.52	8,882.82	1,260,570.41	(5,750.00)	1,036.81	1,378.38	10,598.74
	1,259,024.40	26,515.83	1,268,936.18	(5,750.00)	1,036.81	1,378.38	19,938.86
2015		135,634,660.25	133,360,854.82	238,156.86	11,599.73	35,445.58	1,432,199.66
	1,259,024.40	135,661,176.08	134,629,791.00	232,406.86	12,636.54	36,823.96	1,452,138.52

Levy	\$ 135,595,384.19
Delinquent Penalty	39,276.06
Taxes Reestablished	26,515.83
	<u>\$ 135,661,176.08</u>

Analysis of 2015 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 133,085,572.73
Special District Taxes	2,180,524.43
Added and Omitted Taxes	<u>329,287.03</u>
	\$ 135,595,384.19

Tax Levy:	
Regional School Tax (Abstract)	\$ 26,648,432.00
Local School District Tax (Abstract)	65,594,282.00
County Tax (Abstract)	
County Library Tax (Abstract)	16,730,060.31
County Open Space Tax (Abstract)	1,102,521.34
Due County for Added and Omitted Taxes	922,183.26
Total County Taxes	<u>45,708.81</u>
Special District Taxes	
Local Open Space Tax	18,800,473.72
Local Tax for Municipal Purposes	2,179,897.00
Add: Additional Tax Levied	1,768,187.00
	<u>20,284,338.25</u>
	<u>319,774.22</u>
	20,604,112.47
	<u>\$ 135,595,384.19</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-6

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2014		\$ 301,020.41
Increased by:		
Transfers from Taxes Receivable	\$ 12,636.54	
Interest and Costs on Sale	<u>326.29</u>	
		<u>12,962.83</u>
Balance December 31, 2015		\$ <u><u>313,983.24</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-7

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance Dec. 31, 2014</u>	<u>Accrued in 2015</u>	<u>Collected</u>	<u>Balance Dec. 31, 2015</u>
Licenses	\$			\$
Alcoholic Beverages		46,126.00	46,126.00	
Other		48,711.70	48,711.70	
Fees and Permits		255,705.64	255,705.64	
Uniform Construction Code Fees		1,245,585.20	1,245,585.20	
Municipal Court				
Fines and Costs	105,548.46	1,158,783.76	1,152,455.14	111,877.08
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		360,866.00	360,866.00	
Fund Balance - General Capital Fund		91,425.00	91,425.00	
Hotel/Motel Tax		144,734.40	144,734.40	
Interest on Investments and Deposits		233,533.92	233,533.92	
Shared Services Agreements:				
Automotive Services		41,599.82	41,599.82	
Board of Health		148,148.00	148,148.00	
Bureau of Fire Prevention		5,265.02	5,265.02	
Construction Code Official		43,560.00	43,560.00	
Diesel Fuel		206,413.51	206,413.51	
Information Technology - Freehold Borough		20,800.00	20,800.00	
Information Technology - Manalapan		92,406.50	92,406.50	
Operational Services - Keyport		26,370.00	26,370.00	
Operational Services - Freehold Regional		21,499.37	21,499.37	
Police Services		19,146.05	19,146.05	
Public Health Emergency - Monmouth County		4,250.00	4,250.00	
Open Space - Debt Service		1,386,000.00	1,386,000.00	
Payments in Lieu of Taxes		105,568.99	105,568.99	
Reserve for Detention Basin		100,000.00	100,000.00	
Reserve for Municipal Alliance		10,252.50	10,252.50	
Uniform Fire Safety Act		89,875.54	89,875.54	
Verizon Franchise Fees		168,852.13	168,852.13	
	<u>\$ 105,548.46</u>	<u>\$ 13,511,794.05</u>	<u>\$ 13,505,465.43</u>	<u>\$ 111,877.08</u>
Receipts				
Prepaid Applied			\$ 13,476,385.29	
Interfunds			26,287.00	
			<u>2,793.14</u>	
			<u>\$ 13,505,465.43</u>	

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 1 of 5

APPROPRIATIONS WITHIN CAPS

	<u>Balance Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Administrative and Executive					
Salaries and Wages	\$ 3,144.51	\$	\$ 3,144.51	\$	\$ 3,144.51
Other Expenses	1,425.12	2,303.00	3,728.12	2,342.50	1,385.62
Public Information Office					
Salaries and Wages	947.79		947.79		947.79
Other Expenses	6,724.05		6,724.05	374.79	6,349.26
Purchasing Department					
Salaries and Wages	279.22		279.22		279.22
Other Expenses	2,391.63	4,536.12	6,927.75	4,536.12	2,391.63
Human Resources					
Salaries and Wages	927.10		927.10		927.10
Other Expenses	5,038.50		5,038.50	4,257.00	781.50
Mayor and Township Committee					
Salaries and Wages	296.15		296.15		296.15
Other Expenses	12,123.50	175.99	12,299.49	175.99	12,123.50
Municipal Clerk					
Salaries and Wages	3,032.93		3,032.93		3,032.93
Other Expenses	29,882.40	319.00	30,201.40	6,521.34	23,680.06
Elections					
Salaries and Wages	581.70		581.70		581.70
Other Expenses	4,990.77	800.00	5,790.77	800.00	4,990.77
Financial Administration					
Salaries and Wages	1,244.21		1,244.21		1,244.21
Other Expenses	13,013.92	56.86	13,070.78	2,685.67	10,385.11
Audit	276.00		276.00		276.00
Information Technology					
Salaries and Wages	3,661.29		3,661.29		3,661.29
Other Expenses	14,663.27	31,241.41	45,904.68	29,738.60	16,166.08
Revenue Administration (Collection of Taxes)					
Salaries and Wages	149.14		149.14		149.14
Other Expenses	3,642.27		3,642.27		3,642.27

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 5

	Balance Dec. 31, 2014	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Assessment of Taxes	\$ 1,647.25	\$	\$ 1,647.25		\$ 1,647.25
Salaries and Wages	50,325.34		50,325.34	11,173.80	39,151.54
Other Expenses	50,000.00		50,000.00		50,000.00
Cost of Tax Appeals					
Legal Services and Costs					
Other Expenses	93,788.92		93,788.92	26,838.23	66,950.69
Affordable Housing Services and Costs					
Other Expenses	29,733.75	120.00	29,853.75	3,890.50	25,963.25
Engineering Services and Costs					
Salaries and Wages	76,836.14		76,836.14	(7,378.68)	84,214.82
Other Expenses	31,737.26		31,737.26	6.00	31,731.26
Historical Preservation					
Other Expenses	2,395.00		2,395.00		2,395.00
Municipal Land Use Law Planning Board					
Salaries and Wages	1,192.06		1,192.06		1,192.06
Other Expenses	38,521.95	202.50	38,724.45	1,052.50	37,671.95
Board of Adjustment					
Salaries and Wages	1,245.17		1,245.17		1,245.17
Other Expenses	3,021.00	124.75	3,145.75	124.75	3,021.00
Insurance					
Group Insurance	1,048,108.66		1,048,108.66	1,029,399.13	18,709.53
Other Insurance	215.24		215.24		215.24
Workmen's Compensation	3,716.10		3,716.10		3,716.10
Code Enforcement					
Salaries and Wages	10,673.86		10,673.86		10,673.86
Other Expenses	691.00		691.00		691.00
Police					
Salaries and Wages	538,657.30		538,657.30	(1,545.70)	540,203.00
Other Expenses	12,716.97	26,985.42	39,702.39	34,700.66	5,001.73
Office of Emergency Management					
Salaries and Wages	229.89		229.89		229.89
Other Expenses	500.00		500.00		500.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 5

	<u>Balance Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Bureau of Fire Protection	\$ 61.80	\$	\$ 61.80		\$ 61.80
Salaries and Wages	976.00		976.00	6.00	970.00
Other Expenses					
Uniform Fire Safety Act					
Salaries and Wages	3,431.53		3,431.53		3,431.53
Municipal Prosecutor					
Salaries and Wages	918.84		918.84		918.84
Other Expenses	1,500.00		1,500.00		1,500.00
Road Repair and Maintenance					
Salaries and Wages	1,636.02		1,636.02		1,636.02
Other Expenses	60,347.27	21,459.33	81,806.60	29,738.57	52,068.03
Snow Removal					
Salaries and Wages	290.78		290.78		290.78
Other Expenses	150.54	340.00	490.54	360.05	130.49
Shade Tree Commission					
Salaries and Wages	120.56		120.56		120.56
Other Expenses	17,963.42		17,963.42		17,963.42
Recycling					
Salaries and Wages	28,501.73		28,501.73		28,501.73
Other Expenses	65,733.15	802.00	66,535.15	19,653.50	46,881.65
Public Building and Grounds					
Salaries and Wages	19,980.48		15,480.48		15,480.48
Other Expenses	2,184.91	274.84	6,959.75	5,620.86	1,338.89
Equipment Maintenance and Repair					
Salaries and Wages	20,041.09		20,041.09		20,041.09
Other Expenses	34,438.71	60,642.19	95,080.90	43,090.89	51,990.01
Condominium Services Act					
Other Expenses	47,165.10		47,165.10		47,165.10
Board of Health					
Salaries and Wages	17,337.84		17,337.84		17,337.84
Other Expenses	13,028.73	9,997.41	23,026.14	21,938.91	1,087.23
Environmental Commission					
Other Expenses	400.00		400.00		400.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 4 of 5

	<u>Balance Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Board of Recreation Commissioners					
Salaries and Wages	\$ 25,093.60		\$ 25,093.60		\$ 25,093.60
Other Expenses	765.61	10,193.74	10,959.35	8,978.80	1,980.55
Senior Center					
Salaries and Wages	3,393.82		3,393.82		3,393.82
Other Expenses	2,079.70	859.25	2,938.95	317.25	2,621.70
Municipal Court					
Salaries and Wages	7,690.67		7,690.67		7,690.67
Other Expenses	5,221.43	1,438.40	6,659.83	1,558.31	5,101.52
State Uniform Construction Code Official					
Salaries and Wages	87,584.22		87,584.22		87,584.22
Other Expenses	486.49	602.90	1,089.39	848.26	241.13
Utilities:					
Electricity	116,908.07		116,908.07	15,438.75	101,469.32
Street Lighting	161,043.91		161,043.91	25,017.01	136,026.90
Telephone	32,140.69		32,140.69	3,366.66	28,774.03
Natural Gas	28,120.31	788.36	28,908.67	12,694.25	16,214.42
Water and Sewer	36,107.49		36,107.49	121.19	35,986.30
Fuel Oil and Gasoline	153,315.50	61,453.00	214,768.50	43,971.62	170,796.88
Contingent	1.00		1.00		1.00
Contribution to:					
Public Employees Retirement System	1,673.24		1,673.24		1,673.24
Social Security System	135,290.17		135,290.17		135,290.17
Unemployment Compensation Insurance	5,000.00		5,000.00		5,000.00
Defined Contribution Retirement Program	53.65	169.82	223.47	169.82	53.65
Total Appropriations within Caps	<u>3,242,566.40</u>	<u>235,886.29</u>	<u>3,478,452.69</u>	<u>1,382,583.90</u>	<u>2,095,868.79</u>
<u>APPROPRIATIONS OUTSIDE CAPS</u>					
Length of Service Awards Program (LOSAP)	25,000.00		25,000.00	21,677.50	3,322.50
Local Matching Fund for Grants	500.00		500.00		500.00
Shared Services Agreements					
Bureau of Fire Prevention					
Salaries and Wages	708.66		708.66		708.66

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF APPROPRIATION RESERVES

Sheet 5 of 5

	<u>Balance Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Shared Services Agreements (Continued)					
Board of Health					
Salaries and Wages	\$ 1,057.84	\$	\$ 1,057.84		\$ 1,057.84
Lead Inspector - Long Branch	3,100.00		3,100.00		3,100.00
Other Expenses	6,991.00		6,991.00	6,721.00	270.00
Road Repairs and Maintenance					
Fuel Oil					
Other Expenses	560.38		560.38		560.38
Equipment Maintenance					
Other Expenses	3,173.40		3,173.40		3,173.40
Police Special Services					
Salaries and Wages	1,010.80		1,010.80		1,010.80
Information Technology					
Salaries and Wages					
Manalapan Township	3,382.25		3,382.25		3,382.25
Freehold Borough	503.18		503.18		503.18
Operational Services					
Salaries and Wages					
Keypoint Borough	1,084.09		1,084.09		1,084.09
Freehold Regional	2,386.76		2,386.76		2,386.76
Total Appropriations outside Caps	<u>49,458.36</u>		<u>49,458.36</u>	<u>28,398.50</u>	<u>21,059.86</u>
Total General Appropriations	\$ <u>3,292,024.76</u>	\$ <u>235,886.29</u>	\$ <u>3,527,911.05</u>	\$ <u>1,410,982.40</u>	\$ <u>2,116,928.65</u>
Disbursed					
Accounts Payable				1,396,226.84	
				<u>14,755.56</u>	
					\$ <u>1,410,982.40</u>

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TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-9

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2014		\$	68,963.51
2015 Tax Levy:			
County Tax	\$	16,730,060.31	
County Library Tax		1,102,521.34	
County Open Space Tax		922,183.26	
County Share of Added and Omitted Taxes		<u>45,708.81</u>	
			<u>18,800,473.72</u>
			<u>18,869,437.23</u>
Decreased by:			
Disbursements			<u>18,823,728.42</u>
Balance December 31, 2015		\$	<u><u>45,708.81</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-10

SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE

Balance December 31, 2014:		
School Tax Payable	\$ 4,625,395.48	
School Tax Deferred	<u>25,566,589.00</u>	
		\$ 30,191,984.48
Increased by:		
Levy - School Year July 1, 2015 to June 30, 2016		<u>65,594,282.00</u>
		<u>95,786,266.48</u>
Decreased by:		
Disbursements		<u>64,386,913.48</u>
Balance December 31, 2015:		
School Tax Payable	5,832,764.00	
School Tax Deferred	<u>25,566,589.00</u>	
		\$ <u><u>31,399,353.00</u></u>
2015 Liability for Local District School Tax:		
Tax Paid		\$ 64,386,913.48
Tax Payable December 31, 2015		<u>5,832,764.00</u>
		<u>70,219,677.48</u>
Less: Tax Payable December 31, 2014		<u>4,625,395.48</u>
Amount Charged to 2015 Operations		\$ <u><u>65,594,282.00</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-11

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX PAYABLE

Balance December 31, 2014:	
School Tax Payable	\$ 12,760,345.00
Increased by:	
Levy - School Year July 1 2015 to June 30, 2016	26,648,432.00
	<u>39,408,777.00</u>
Decreased by:	
Disbursements	<u>26,483,555.60</u>
Balance December 31, 2015:	
School Tax Payable	\$ <u>12,925,221.40</u>
2015 Liability for Local District School Tax:	
Tax Paid	\$ 26,483,555.60
Tax Payable December 31, 2015	<u>12,925,221.40</u>
	<u>39,408,777.00</u>
Less: Tax Payable December 31, 2014	<u>12,760,345.00</u>
Amount Charged to 2015 Operations	\$ <u>26,648,432.00</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-12

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Animal Control Trust Fund	Other Trust Fund	General Capital Fund
Balance December 31, 2014 - Due From/(To)	\$ 122,322.17	\$ 14,945.80	\$ 71,676.37	\$ 35,700.00
Increased by:				
Disbursements	178,140.33		142,140.33	36,000.00
Excess Statutory of Animal Control Reserve	22,408.80	22,408.80		
Escrow Interest	2,793.14		2,793.14	
Total Increases	203,342.27	22,408.80	144,933.47	36,000.00
Total Increases and Balances	325,664.44	37,354.60	216,609.84	71,700.00
Decreased by:				
Receipts	56,331.87	14,945.80	5,686.07	35,700.00
Balance December 31, 2015 - Due From/(To)	\$ 269,332.57	\$ 22,408.80	\$ 210,923.77	\$ 36,000.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-13

SCHEDULE OF INTERFUND

GRANT FUND

Balance December 31, 2014 - Due To			\$ 320,622.06
Increased by:			
Deposited in Current Fund:			
Grants Receivable	\$ 347,254.48		
Unappropriated Reserves	<u>6,225.20</u>		
		\$ 353,479.68	
Cancelled Grants Receivable		40,576.62	
2015 Budget Appropriations		<u>389,415.33</u>	
			<u>783,471.63</u>
			1,104,093.69
Decreased by:			
Cancelled Appropriated Reserves		40,576.62	
2015 Anticipated Revenue		346,162.83	
Disbursed in Current Fund		<u>352,364.62</u>	
			<u>739,104.07</u>
Balance December 31, 2015 - Due To			\$ <u><u>364,989.62</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, 2014</u>	<u>2015 Anticipated Revenue</u>	<u>2015 Anticipated Realized</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2015</u>
State Grants:					
Alliance to Prevent Alcoholism and Drug Abuse	\$ 41,010.00	\$ 41,010.00	\$ 18,735.00	\$ 22,275.00	\$ 41,010.00
Body Armor Fund		5,898.49	5,898.49		
Clean Communities Program		81,154.50	81,154.50		3,000.00
Green Communities Grant		3,000.00			
Recycling Tonnage Grant		96,424.33	96,424.33		
Safe and Secure Communities Program	60,000.00	60,000.00	120,000.00		
Safe Corridors	129,683.00	54,675.51	117,481.38	12,201.62	54,675.51
Federal Grants:					
Bulletproof Vests	9,074.90		4,483.60		4,591.30
Click It or Ticket		4,000.00	3,800.00	200.00	
Drive Sober or Get Pulled Over	7,500.00		1,600.00	5,900.00	
	<u>\$ 247,267.90</u>	<u>\$ 346,162.83</u>	<u>\$ 449,577.30</u>	<u>\$ 40,576.62</u>	<u>\$ 103,276.81</u>
Interfund - Current Fund			\$ 347,254.48		
Unappropriated Grants			<u>102,322.82</u>		
			<u>\$ 449,577.30</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 Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Transferred from 2015 Budget Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2015</u>
State Grants:						
Alcohol Education and Rehabilitation						
2012 Grant Award	\$ 161.89	\$	\$	\$	\$	\$ 161.89
Alliance to Prevent Alcoholism and Drug Abuse						
2014-15 Grant Award	37,891.21		51,262.50	15,616.21	22,275.00	29,708.67
2015-16 Grant Award				21,553.83		
Body Armor Replacement						
2014 Grant Award	7,578.24		5,898.49	91.64		7,486.60
2015 Grant Award				3,101.66		2,796.83
Clean Communities Program						
2013 Grant Award	10,300.54	2,000.00		9,800.18		2,500.36
2014 Grant Award	42,968.90	525.00		37,503.86		5,990.04
2015 Grant Award			81,154.50	29,674.00		51,480.50
Drunk Driving Enforcement Fund						
2013 Grant Award	6,603.66			5,239.65		1,364.01
2014 Grant Award	7,377.04					7,377.04
Green Communities Grant						
2015 Grant Award			6,000.00	2,100.00		3,900.00
Recycling Tonnage Grant						
2011 Grant Award	64,517.57	8,461.30		14,367.42		58,611.45
2012 Grant Award	63,692.37			2,845.00		63,692.37
2014 Grant Award	74,859.28			18,531.08		72,014.28
2015 Grant Award			96,424.33			77,893.25
Safe and Secure Communities Program						
2014 Grant Award	210.84		90,000.00	90,000.00		210.84
2015 Grant Award						
Safe Corridors						
2014 Grant Award	9.58	129,673.42		117,481.38	12,201.62	131.58
2015 Grant Award			54,675.51	54,543.93		

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-15

SCHEDULE OF APPROPRIATED RESERVES

Sheet 2 of 2

GRANT FUND

<u>Grant</u>	<u>Balance Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Transferred from 2015 Budget Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2015</u>
Federal Grants:						
Bulletproof Vests						
2012 Grant Award	\$ 541.54	\$		\$ 541.54	\$	\$
2014 Grant Award	1,694.76			1,694.76		
Click It or Ticket						
2015 Grant Award			4,000.00	3,800.00	200.00	
Drive Sober or Get Pulled Over						
2014 Grant Award	<u>6,500.00</u>			<u>600.00</u>	<u>5,900.00</u>	
	<u>\$ 324,907.42</u>	<u>\$ 140,659.72</u>	<u>\$ 389,415.33</u>	<u>\$ 429,086.14</u>	<u>\$ 40,576.62</u>	<u>\$ 385,319.71</u>
Interfund - Current Fund						
Reserve for Encumbrances				\$ 352,364.62		
				<u>76,721.52</u>		
				<u>\$ 429,086.14</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, 2014</u>	<u>Received</u>	<u>Realized as Anticipated Revenue</u>	<u>Balance Dec. 31, 2015</u>
State Grants:				
Body Armor Replacement	\$ 5,898.49	\$ 6,225.20	\$ 5,898.49	\$ 6,225.20
Recycling Tonnage Grant	<u>96,424.33</u>	<u> </u>	<u>96,424.33</u>	<u> </u>
	<u>\$ 102,322.82</u>	<u>\$ 6,225.20</u>	<u>\$ 102,322.82</u>	<u>\$ 6,225.20</u>

TRUST FUND

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TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B-1

SCHEDULE OF CASH - TREASURER

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>
Balance December 31, 2014	\$ 81,752.60	\$ 10,744,408.84
Increased by Receipts:		
Due to State of New Jersey	\$ 3,415.20	
Licenses and Other Fees	15,509.20	
Prepaid Licenses	9,231.60	
Interfunds		144,933.47
Miscellaneous Reserves		<u>11,471,107.54</u>
	<u>28,156.00</u>	<u>11,616,041.01</u>
	<u>109,908.60</u>	<u>22,360,449.85</u>
Decreased by Disbursements:		
Due State of New Jersey	3,416.40	
Animal Control Trust Fund Expenditures	6,201.00	
Interfunds	14,945.80	5,686.07
Miscellaneous Reserves		<u>10,716,522.40</u>
	<u>24,563.20</u>	<u>10,722,208.47</u>
Balance December 31, 2015	\$ <u>85,345.40</u>	\$ <u>11,638,241.38</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

Balance December 31, 2014	\$	1.20
Increased by:		
Fees Collected		<u>3,415.20</u>
		3,416.40
Decreased by:		
Payments to State of New Jersey	\$	<u><u>3,416.40</u></u>

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

Exhibit B-3

Balance December 31, 2014	\$	53,144.40
Increased by:		
2015 License and Other Fees Collected	\$	15,509.20
Prepaid Licenses Applied		<u>9,447.20</u>
		24,956.40
Decreased by:		
Expenditures Under R.S. 4:19-15.11		6,201.00
Statutory Excess Due Current Fund		<u>22,408.80</u>
		<u>28,609.80</u>
Balance December 31, 2015	\$	<u><u>49,491.00</u></u>

Dog License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	\$ <u>26,380.20</u>
2014	<u>23,110.80</u>
	\$ <u><u>49,491.00</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

ANIMAL CONTROL TRUST FUND

Exhibit B-4

SCHEDULE OF INTERFUND - CURRENT FUND

Balance December 31, 2014 - Due To	\$ 14,945.80
Increased by:	
Statutory Excess	<u>22,408.80</u>
	37,354.60
Decreased by:	
Disbursements	<u>14,945.80</u>
Balance December 31, 2015 - Due To	\$ <u><u>22,408.80</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

OTHER TRUST FUND

Exhibit B-5

SCHEDULE OF RESERVES AND SPECIAL DEPOSITS

	Balance Dec. 31, 2014	Increases	Decreases	Balance Dec. 31, 2015
Reserve for:				
Arboretum	\$ 28,144.28	\$ 900.00	\$ 712.40	\$ 28,331.88
Board of Recreation Commissioners	1,062,910.29	1,021,038.43	988,733.60	1,095,215.12
Cash Bonds		2,000.00	1,000.00	1,000.00
Construction Code Dedicated Penalties	59,880.92	20,725.00	419,266.39	80,605.92
Deposits for Redemption of Tax Sale Certificates	1,101,162.85	473,048.39	123,250.00	977,912.85
Detention Project	3,145,201.67	932,298.63	1,622,106.90	2,455,393.40
Escrow Deposits	1,090.00	420.00		1,510.00
Historical Preservation	875.00			875.00
Monument Bonds	870,158.33	416,761.14	353,481.60	933,437.87
Mount Laurel Housing Trust	11,835.00	25,015.00	25,652.92	11,197.08
Municipal Drug Alliance Fund	231,973.86	1,776,437.00	1,613,219.53	395,191.33
Open Space	2,766.60	1,192.00	1,814.88	2,143.72
Parking Offenses Adjudication Act	650,900.00	658,500.00	293,700.00	1,015,700.00
Premiums Received at Tax Sale	1,211.52	35,675.75	31,820.76	5,066.51
Public Defender	18,825.15	2,900.00		21,725.15
Public Safety Donation	7,502.00			7,502.00
Relocation	402,919.26			402,919.26
Road Projects	254,187.33			254,187.33
Self Insurance	90,629.98	5,995,731.52	5,025,187.10	1,224,731.75
Shade Tree Donations			255.00	90,374.98
Shade Tree Escrow	94,480.00	18,521.00		113,001.00
Sick Leave Trust	216,902.12	35,000.00	22,343.81	229,558.31
Sidewalks and Curbs	269,768.81		42,939.84	226,828.97
Snow Removal	1,929,626.36		85,287.89	1,844,338.47
Special Law Enforcement Fund	35,485.93	2,724.60	7,660.16	30,550.37
Street Opening Bonds	17,780.60	8,500.00	10,000.00	16,280.60
Unemployment Trust	142,128.79	21,698.08	33,632.62	130,194.25
Uniform Fire Safety Act Penalty Monies 2:12	9,714.06			9,714.06
Uniform Fire Safety Act Penalty Monies 2:12A	14,671.76	22,021.00	14,457.00	22,235.76
	\$ 10,672,732.47	\$ 11,471,107.54	\$ 10,716,522.40	\$ 11,427,317.61

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

OTHER TRUST FUND

Exhibit B-6

SCHEDULE OF INTERFUND - CURRENT FUND

Balance December 31, 2014 - Due To	\$ (71,676.37)
Increased by:	
Disbursements	<u>5,686.07</u>
	(65,990.30)
Decreased by:	
Receipts	<u>144,933.47</u>
Balance December 31, 2015 - Due To	\$ <u><u>(210,923.77)</u></u>

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GENERAL CAPITAL FUND

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TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH - TREASURER

Balance December 31, 2014		\$ 10,193,059.19
Increased by Receipts:		
Premiums on Sale of Bonds and Notes	\$ 240,033.14	
Interfunds	300.00	
Serial Bonds	8,258,000.00	
Bond Anticipation Notes	2,694,000.00	
Reserve for Debt Service	298,045.20	
Budget Appropriations:		
Capital Improvement Fund	<u>150,000.00</u>	
		<u>11,640,378.34</u>
		21,833,437.53
Decreased by Disbursements:		
Capital Fund Balance to Current Fund	91,425.00	
Bond Anticipation Notes	7,652,000.00	
Improvement Authorizations	<u>6,697,168.92</u>	
		<u>14,440,593.92</u>
Balance December 31, 2015		\$ <u><u>7,392,843.61</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-3

ANALYSIS OF CASH

	Balance Dec. 31, 2014	Receipts		Disbursements		Transfers		Balance Dec. 31, 2015	
		Bonds Issued	Notes Issued	Miscellaneous	Notes Paid	Improvement Authorizations	Miscellaneous		From
Fund Balance	\$ 1,275,850.49			\$ 240,033.14				\$ 1,424,458.65	
Capital Improvement Fund	715,525.41			150,000.00				129,133.41	
Down Payments on Improvements	95,737.00							95,737.00	
Interfunds:									
Interfund - Current Fund	35,700.00								36,000.00
Other Trust Fund									
Water-Sewer Utility Operating Fund									
Water-Sewer Utility Capital Fund									
Grant Receivable	(159,434.04)						446,311.00		(605,745.04)
Accounts Receivable									
Accounts Receivable Offset with Reserves									
Reserve for:									
Improvements	21,376.00								21,376.00
Debt Service	480.72								262,525.92
Section 20 Costs on Refunding Bonds					36,000.00				
Historical Preservation	15,590.20								15,590.20
Improvement Authorizations									
Ordinance Number									
97-01	12,857.45								12,857.45
97-11	7,505.64								7,505.64
98-08	3,836.88								3,836.88
99-09	79.12								79.12
00-10	1,544.90								1,544.90
01-13	277.46								277.46
02-13	228,346.63								228,346.63
03-09	3,848.29								3,848.29
04-11	81,765.06				156,346.97				81,765.06
05-19	462.94		5,000.00		30,930.00				462.94
05-35	(4,440.28)		5,000.00		4,975.00				559.72
06-21	84,270.17		131,000.00		214,135.00				1,135.17
07-14, 08-29	184,265.76								184,265.76
09-16	321,803.28	235,500.00			1,673.97				320,129.31
10-21	165,165.80	377,000.00			300,535.29				6,630.51
11-20	506,566.59				33,750.00				472,816.59
12-12	1,967,105.27	4,015,000.00			1,971,528.37				495,576.90
12-19	1,073,542.37				73,176.24				1,000,366.13
14-05	3,553,430.08	3,630,500.00	400,000.00		3,157,887.13				795,542.95
15-10			2,000,000.00		752,230.95				2,430,472.05
	\$ 10,193,059.19	\$ 8,258,000.00	\$ 2,694,000.00	\$ 688,378.34	\$ 6,697,168.92	\$ 7,652,000.00	\$ 1,182,703.00	\$ 1,182,703.00	\$ 7,392,843.61

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO

FUTURE TAXATION - FUNDED

Balance December 31, 2014		\$ 23,265,405.45
Increased by:		
Serial Bonds Issued		<u>8,258,000.00</u>
		31,523,405.45
Decreased by:		
2015 Budget Appropriations:		
Principal on Serial Bonds	\$ 3,162,000.00	
Green Trust Loan	411,146.33	
Principal Reduction on Bonds Refunded	<u>110,000.00</u>	
		<u>3,683,146.33</u>
Balance December 31, 2015		\$ <u><u>27,840,259.12</u></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		Serial Bonds Issued	Budget Appropriations and Reserve	Analysis of Balance	
		Dec. 31, 2014	Dec. 31, 2015			Bond Anticipation Notes	Unexpended Improvement Authorizations
97-01	Renovations to Municipal Complex	\$ 215,000.00	\$ 215,000.00			\$	\$ 215,000.00
97-11	Various Improvements	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
99-09	Various Improvements	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
01-13	Various Improvements	622,650.00	622,650.00				622,650.00
02-13	Various Improvements	1,618,150.00	1,224,150.00		394,000.00		1,224,150.00
03-09	Various Improvements	758,775.00	535,575.00		223,200.00	153,000.00	382,575.00
04-11	Various Improvements	678,730.00	475,730.00		203,000.00		475,730.00
05-19	Various Improvements	931,525.00	931,525.00			5,000.00	926,525.00
05-35	Development of Park Lands	490,000.00	490,000.00			5,000.00	485,000.00
06-21	Various Improvements	840,975.00	800,875.00		40,100.00	365,800.00	435,075.00
07-14, 08-29	Various Improvements	1,463,915.00	1,436,415.00		27,500.00	668,500.00	767,915.00
09-16	Various Improvements	1,631,400.00	1,349,500.00	235,500.00	46,400.00	251,500.00	1,098,000.00
10-21	Various Improvements	1,777,000.00	1,400,000.00	377,000.00			1,400,000.00
11-20	Various Improvements	1,345,000.00	1,345,000.00			395,000.00	950,000.00
12-12	Various Improvements	5,041,555.00	1,026,555.00	4,015,000.00			1,026,555.00
12-19	Various Improvements	1,400,000.00	1,398,200.00		1,800.00	1,398,200.00	
14-05	Various Improvements	7,896,000.00	4,265,500.00	3,630,500.00		400,000.00	3,865,500.00
15-10	Various Improvements		9,101,608.00			2,000,000.00	7,101,608.00
		\$ 29,680,823.70	\$ 29,588,431.70	\$ 8,258,000.00	\$ 936,000.00	\$ 5,642,000.00	\$ 23,946,431.70

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, 2015
Unexpended
Improvement
Authorizations
\$ 28,180,247.74**

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

<u>Ordinance Number</u>	<u>Improvement Description</u>		
03-09	Various Improvements	\$	501.32
05-19	Various Improvements		487.94
05-35	Development of Park Lands		559.72
06-21	Various Improvements		1,135.17
07-14, 08-29	Various Improvements		184,265.76
09-16	Various Improvements		251,500.00
11-20	Various Improvements		395,000.00
12-19	Various Improvements		1,000,366.13
14-05	Various Improvements		400,000.00
15-10	Various Improvements		<u>2,000,000.00</u>
			<u>4,233,816.04</u>
		\$	<u><u>23,946,431.70</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-6

Sheet 1 of 2

SCHEDULE OF GENERAL SERIAL BONDS

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Issued	Decreases	Balance Dec. 31, 2015
			Outstanding Dec. 31, 2015	Amount					
General Improvement Bonds	7/26/2007	\$ 6,160,000	7/01/2016	\$ 480,000	4.125%	\$ 3,710,000.00	\$	\$ 2,680,000.00	\$ 1,030,000.00
Open Space Bonds	7/26/2007	4,340,000	7/01/2017	550,000	4.250%				
General Obligation Bonds	6/01/2008	5,944,000	7/01/2016	290,000	4.125%	2,310,000.00		1,730,000.00	580,000.00
			7/01/2017	290,000	4.250%				
			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%	4,036,000.00		372,000.00	3,664,000.00
General Obligation Refunding Bonds	12/16/2009	5,310,000	9/15/2016	700,000	4.000%	1,355,000.00		655,000.00	700,000.00
Open Space Refunding Bonds	12/16/2009	475,000	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%	290,000.00		45,000.00	245,000.00
General Obligation Refunding Bonds	10/01/2012	3,800,000	10/01/2016	860,000	3.000%				
			10/01/2017	1,000,000	3.000%				
			10/01/2018	990,000	3.000%	3,720,000.00		870,000.00	2,850,000.00
Open Space Refunding Bonds	10/01/2012	630,000	10/1/2016-20	60,000	3.000%				
			10/1/2021-22	60,000	3.500%				
			10/1/2023-24	65,000	3.500%	615,000.00		65,000.00	550,000.00
General Obligation Bonds	12/01/2013	5,640,000	12/01/2016	395,000	2.000%				
			12/01/2017	400,000	3.000%				
			12/01/2018	410,000	3.000%				
			12/01/2019	420,000	3.000%				
			12/01/2020	425,000	3.000%				
			12/01/2021	440,000	3.000%				
			12/01/2022	450,000	3.000%				
			12/01/2023	465,000	3.000%				
			12/01/2024	480,000	3.000%				
			12/01/2025	495,000	3.000%				
			12/01/2026	515,000	3.250%	5,280,000.00		385,000.00	4,895,000.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-6

Sheet 2 of 2

SCHEDULE OF GENERAL SERIAL BONDS

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Issued	Decreases	Balance Dec. 31, 2015
			Outstanding Date	Amount					
General Obligation Refunding Bonds	9/10/2015	\$ 1,970,000	7/15/2016	\$ 20,000	1.000%				
			7/15/2018	475,000	3.000%				
			7/15/2019	490,000	4.000%				
			7/15/2020	495,000	4.000%				
			7/15/2021	490,000	4.000%	\$	\$ 1,970,000.00	\$	\$ 1,970,000.00
Open Space Refunding Bonds	9/10/2015	1,560,000	7/15/2016	5,000	1.000%				
			7/15/2018	310,000	3.000%				
			7/15/2019-21	320,000	4.000%				
General Obligation Bonds	12/11/2015	8,258,000	7/15/2022	285,000	3.000%				
			11/01/2016	563,000	3.000%				
			11/01/2017	640,000	4.000%				
			11/01/2018	645,000	4.000%				
			11/01/2019	655,000	4.000%				
			11/01/2020	665,000	4.000%				
			11/01/2021	680,000	2.000%				
			11/01/2022	690,000	2.000%				
			11/01/2023	705,000	2.000%				
			11/01/2024	725,000	2.000%				
	11/01/2025	740,000	2.125%						
	11/01/2026	765,000	2.250%						
	11/01/2027	785,000	2.375%						
						\$ 8,258,000.00		\$ 8,258,000.00	
						\$ 11,788,000.00	\$ 6,802,000.00	\$ 21,316,000.00	
						\$ 8,258,000.00	\$ 3,162,000.00	\$ 8,258,000.00	
						\$ 3,530,000.00	\$ 3,640,000.00	\$ 3,530,000.00	
						\$ 11,788,000.00	\$ 6,802,000.00	\$ 11,788,000.00	

Bonds Issued
Paid by Budget Appropriation
Bonds Refunded

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE

Sheet 1 of 3

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loan</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
			<u>Outstanding Date</u>	<u>Amount</u>				
Open Space Acquisition	November 1996	\$ 2,000,000.00	See Amortization Statement		2.00%	\$ 182,879.84	\$ 121,312.33	\$ 61,567.51
Open Space Acquisition	October 1997	965,000.00	See Amortization Statement		2.00%	173,883.94	56,811.75	117,072.19
Park Development	October 1998	500,000.00	See Amortization Statement		2.00%	106,848.76	29,772.64	77,076.12
Open Space Acquisition	November 2000	2,250,000.00	See Amortization Statement		2.00%	640,157.31	137,344.55	502,812.76
Opatut Park Development	October 2005	400,000.00	See Amortization Statement		2.00%	234,517.47	20,283.84	214,233.63
Opatut Park Development	September 2007	600,000.00	See Amortization Statement		2.00%	398,496.36	31,146.69	367,349.67
Opatut Park Development	March 2008	300,000.00	See Amortization Statement		2.00%	212,621.77	14,474.53	198,147.24
						\$ 1,949,405.45	\$ 411,146.33	\$ 1,538,259.12

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 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
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

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>
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	9,235.16	92.35
	<u>\$ 1,538,259.12</u>	<u>\$ 115,719.79</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 of Original Note	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Issued for Cash	Decreased by:			Balance Dec. 31, 2015
							Budget Appropriations	Reserve for Debt Service	Serial Bonds Issued	
02-13	Various Improvements	12/21/2010			\$ 394,000.00	\$	\$	\$	\$	\$
03-09	Various Improvements	12/22/2009			122,600.00					5,000.00
03-09	Various Improvements	12/21/2010			30,600.00					5,000.00
03-09	Various Improvements	12/19/2012			70,000.00					234,800.00
03-09	Various Improvements	12/11/2015	11/18/2016	2.00%		153,000.00				131,000.00
04-11	Various Improvements	12/22/2009			28,000.00					668,500.00
04-11	Various Improvements	12/21/2010			114,800.00					
04-11	Various Improvements	12/15/2014			60,200.00		36,000.00			
05-19	Various Improvements	12/11/2015	11/18/2016	2.00%		5,000.00				5,000.00
05-35	Development of Park Lands	12/11/2015	11/18/2016	2.00%		5,000.00				5,000.00
06-21	Various Improvements	12/21/2010			274,900.00					234,800.00
07-14, 08-29	Various Improvements	12/11/2015	11/18/2016	2.00%		131,000.00				131,000.00
09-16	Various Improvements	12/21/2010			696,000.00					668,500.00
09-16	Various Improvements	12/19/2012	11/18/2016	2.00%	147,400.00					24,500.00
09-16	Various Improvements	12/21/2010	11/18/2016	2.00%	159,000.00					227,000.00
10-21	Various Improvements	12/17/2013	11/18/2016	2.00%	227,000.00					
10-21	Various Improvements	12/19/2012	11/18/2016	2.00%	85,000.00					85,000.00
11-20	Various Improvements	12/17/2013	11/18/2016	2.00%	150,000.00					150,000.00
12-12	Various Improvements	12/19/2012	11/18/2016	2.00%	395,000.00					395,000.00
12-12	Various Improvements	12/17/2013	11/18/2016	2.00%	1,015,000.00					1,015,000.00
12-19	Various Improvements	12/19/2012	11/18/2016	2.00%	2,500,000.00					2,500,000.00
14-05	Various Improvements	12/17/2013	11/18/2016	2.00%	50,000.00					48,200.00
14-05	Various Improvements	12/15/2014	11/18/2016	2.00%	3,630,500.00					1,350,000.00
15-10	Various Improvements	12/11/2015	11/18/2016	2.00%		400,000.00				400,000.00
					\$ 11,500,000.00	\$ 2,694,000.00	\$ 36,000.00	\$ 7,616,000.00	\$ 5,642,000.00	

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, 2014		Down Payment	Expended	Balance Dec. 31, 2015	
				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		1,452,496.63		156,346.97	228,346.63	1,224,150.00
03-09	Various Improvements	4/22/2003	2,808,500.00		539,423.29		30,930.00	50,835.06	383,076.32
04-11	Various Improvements	4/27/2004	5,669,400.00	462.94	557,495.06		4,975.00	475,730.00	927,012.94
05-19	Various Improvements	7/26/2005	4,806,525.00		931,525.00				
05-35	Development of Park Lands	11/29/2005	2,280,000.00		485,559.72				485,559.72
06-21	Various Improvements	5/23/2006	3,798,500.00		650,345.17		214,135.00		436,210.17
07-14, 08-29	Various Improvements	6/26/2007	4,905,700.00						
09-16	Various Improvements	11/12/2008	155,000.00		952,180.76				952,180.76
10-21	Various Improvements	5/26/2009	3,821,000.00		1,419,803.28		1,673.97	68,629.31	1,349,500.00
11-20	Various Improvements	8/31/2010	3,627,000.00		1,707,165.80		300,535.29	6,630.51	1,400,000.00
12-12	Various Improvements	8/23/2011	2,986,000.00	111,566.59	1,345,000.00		33,750.00	77,816.59	1,345,000.00
12-19	Various Improvements	6/26/2012	5,900,000.00		3,493,660.27		1,971,528.37	495,576.90	1,026,555.00
14-05	Various Improvements	10/02/2012	1,475,000.00		1,073,542.37		73,176.24		1,000,366.13
15-10	Various Improvements	5/27/2014	8,450,000.00		7,818,930.08		3,157,887.13	395,542.95	4,265,500.00
		5/26/2015	10,284,311.00			1,182,703.00	752,230.95	430,472.05	9,101,608.00
				\$ 1,38,130.98	\$ 26,234,926.13	\$ 1,182,703.00	\$ 6,697,168.92	\$ 1,779,951.45	\$ 28,180,247.74
	Grants Receivable					\$ 446,311.00			
	Capital Improvement Fund					736,392.00			
						\$ 1,182,703.00			

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2014	\$ 715,525.41
Increased by:	
2015 Budget Appropriations	<u>150,000.00</u>
	865,525.41
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>736,392.00</u>
Balance December 31, 2015	\$ <u><u>129,133.41</u></u>

SCHEDULE OF DOWN PAYMENTS ON IMPROVEMENTS

Exhibit C-11

Balance December 31, 2014 and 2015	\$ <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

<u>Year of Lease</u>	<u>Lease Principal</u>	<u>Maturities of Leases Outstanding Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>	<u>New Lease</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
2007	\$ 886,200.00	See Amortization Statement	\$ 253,100.00		\$ 80,300.00	\$ 172,800.00
2011	582,000.00	See Amortization Statement	201,000.00		41,000.00	160,000.00
2013	844,200.00	See Amortization Statement	738,490.00		108,440.00	630,050.00
2015	1,065,000.00	See Amortization Statement		1,065,000.00		1,065,000.00
			<u>\$ 1,192,590.00</u>	<u>\$ 1,065,000.00</u>	<u>\$ 229,740.00</u>	<u>\$ 2,027,850.00</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

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
March 2016	\$	\$ 4,320.00
April 2016		36,757.44
September 2016	84,300.00	4,320.00
October 2016	295,170.00	40,077.50
March 2017		2,212.50
April 2017		35,217.50
September 2017	88,500.00	2,212.50
October 2017	256,810.00	35,217.50
April 2018		29,667.50
October 2018	270,270.00	29,667.50
April 2019		23,200.00
October 2019	253,700.00	23,200.00
April 2020		17,290.00
October 2020	266,430.00	17,290.00
April 2021		10,960.00
October 2021	145,160.00	10,960.00
April 2022		7,680.00
October 2022	123,890.00	7,680.00
April 2023		5,720.00
October 2023	128,620.00	5,720.00
April 2024		2,875.00
October 2024	56,000.00	2,875.00
April 2025		1,475.00
October 2025	<u>59,000.00</u>	<u>1,475.00</u>
	<u>\$ 2,027,850.00</u>	<u>\$ 358,069.94</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-13

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>
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	382,575.00
04-11	Various Improvements	475,730.00
05-19	Various Improvements	926,525.00
05-35	Development of Park Lands	485,000.00
06-21	Various Improvements	435,075.00
07-14, 08-29	Various Improvements	767,915.00
09-16	Various Improvements	1,098,000.00
10-21	Various Improvements	1,400,000.00
11-20	Various Improvements	950,000.00
12-12	Various Improvements	1,026,555.00
14-05	Various Improvements	3,865,500.00
15-10	Various Improvements	7,101,608.00
		<u>\$ 23,946,431.70</u>

WATER-SEWER UTILITY FUND

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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>
	\$ 9,204,118.04	\$ 304,574.01	\$ 6,183,252.19
Balance December 31, 2014			
Increased by Receipts:			
Prepaid Water-Sewer Rents	\$ 18,217.67		
Water Connection Fees	188,081.79		
Sewer Connection Fees	113,805.45		
Interest on Investments	81,314.51		
Miscellaneous Other	105,867.66		
Prior Year Sewer Charge Reimbursement	254,385.13		
Fire Hydrant Service	201,905.38		
Water Charges Receivable	4,388,124.63		
Sewer Charges Receivable	7,568,724.01		
Assessments Receivable		35,328.20	
Reserve for Infrastructure Contribution			1,136.28
Premium on Sale of Bonds and Notes			144,302.84
Interfunds	128,575.89	354.45	
Budget Appropriations:			
Capital Improvement Fund			600,000.00
Serial Bonds			5,469,000.00
Bond Anticipation Notes			1,500,000.00
	<u>13,049,002.12</u>	<u>35,682.65</u>	<u>7,714,439.12</u>
	22,253,120.16	340,256.66	13,897,691.31
Decreased by Disbursements:			
Budget Appropriations	11,607,676.59		
Appropriation Reserves	266,969.74		
Interfunds	23,411.48	354.45	
Accrued Interest on Bonds and Notes	353,608.33		
Improvement Authorizations			467,621.83
Bond Anticipation Notes			5,192,111.48
	<u>12,251,666.14</u>	<u>354.45</u>	<u>5,764,897.72</u>
	12,251,666.14	354.45	5,764,897.72
Balance December 31, 2015	\$ <u>10,001,454.02</u>	\$ <u>339,902.21</u>	\$ <u>8,132,793.59</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY ASSESSMENT FUND

Exhibit D-7

ANALYSIS OF CASH

	Balance Dec. 31, 2014	Receipts		Disbursements Miscellaneous	Transfers		Balance Dec. 31, 2015
		Assessments Receivable	Miscellaneous		From	To	
Fund Balance	\$ 304,574.01						\$ 339,902.21
Interfund - Water-Sewer Operating Fund			354.45	354.45			
Assessment Bonds:							
Ordinance							
Number							
02-42, 04-30, 05-41		741.38			741.38		
04-19, 04-20		7,577.09			7,577.09		
04-21		5,554.08			5,554.08		
06-31, 06-43		11,433.44			11,433.44		
07-22, 08-16		10,022.21			10,022.21		
	\$ 304,574.01	\$ 35,328.20	\$ 354.45	\$ 354.45	\$ 35,328.20	\$ 35,328.20	\$ 339,902.21

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-8

ANALYSIS OF CASH

	Balance Dec. 31, 2014	Receipts		Disbursements		Transfers		Balance Dec. 31, 2015	
		Bonds Issued	Notes Issued	Miscellaneous	Improvement Authorizations	Notes Paid	Miscellaneous		From
Fund Balance	\$ 1,151,691.09			\$ 144,302.84					
Grants Receivable									
Interfunds:									
Water-Sewer Operating Fund	128,575.89					105,164.41			
Reserve for Infrastructure Contribution	72,169.80			1,136.28					
Capital Improvement Fund	287,195.00			600,000.00			469,000.00		
Funds Borrowed in Excess of Authorization:									
Ordinance 02-14, 04-31	23,411.48				23,411.48				
Improvement Authorizations:									
General Improvements:									
02-14, 04-31	34,638.55								
05-20	(762.30)		6,000.00		9,139.55				
06-22	38,495.49				3,051.50				
07-15	147,580.00								
09-17	59,628.77	1,507,000.00			82,660.81	1,206,900.00			
10-22	175,925.92								
11-21	22,059.48				10,602.00				
12-13	84,880.52				83,784.66				
14-06	3,957,762.50	3,962,000.00			216,681.43				
15-03			1,494,000.00		61,701.88				
15-11									
15-27									
Well 11 Rehabilitation Project					467,621.83	5,192,111.48	737,000.00	737,000.00	
	\$ 6,185,252.19	\$ 5,469,000.00	\$ 1,500,000.00	\$ 745,439.12	\$ 467,621.83	\$ 5,192,111.48	\$ 737,000.00	\$ 737,000.00	\$ 8,132,793.59

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-9

SCHEDULE OF WATER CHARGES RECEIVABLE

Balance December 31, 2014		\$ 185,879.36
Increased by:		
Water Charges Levied		<u>4,671,393.12</u>
		<u>4,857,272.48</u>
Decreased by:		
Receipts:		
Consumer Accounts	\$ 4,388,124.63	
Fire Hydrant Service	201,905.38	
Prepaid Applied	<u>10,398.21</u>	
		<u>4,600,428.22</u>
Balance December 31, 2015		\$ <u><u>256,844.26</u></u>

SCHEDULE OF SEWER CHARGES RECEIVABLE

Exhibit D-10

Balance December 31, 2014		\$ 289,226.52
Increased by:		
Sewer Charges Levied		<u>7,639,890.00</u>
		<u>7,929,116.52</u>
Decreased by:		
Receipts	\$ 7,568,724.01	
Prepaid Applied	<u>6,094.96</u>	
		<u>7,574,818.97</u>
Balance December 31, 2015		\$ <u><u>354,297.55</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY ASSESSMENT FUND

Exhibit D-11

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance Dec. 31, 2014</u>	<u>Collected</u>	<u>Balance Dec. 31, 2015</u>	<u>Pledged to Reserve</u>
02-42, 04-30, 05-41	Various Local Improvements and Improvements to the Sewer System - Stonehill	3/08/2005	10	5/31/2005-14	\$ 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	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	5,901.21	5,554.08	347.13	347.13
06-31, 06-43	Various Local Improvements to the Sanitary Sewerage System - Weaverville	7/29/2008	10	9/01/2008-17	24,760.20	11,433.44	13,326.76	13,326.76
07-22, 08-16	Various Local Improvements to the Sanitary Sewerage System - Southern Gulf	8/25/2009	10	10/15/2010-19	40,088.29	10,022.21	30,066.08	30,066.08
					<u>\$ 79,068.17</u>	<u>\$ 35,328.20</u>	<u>\$ 43,739.97</u>	<u>\$ 43,739.97</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-12

SCHEDULE OF RECEIVABLES

	Balance Dec. 31, 2014 and 2015
Connection Fees:	
Queen Anne	\$ 21,672.00
Developers Contribution:	
Thompson Grove	12,500.00
	<u>\$ 34,172.00</u>

SCHEDULE OF FIXED CAPITAL

Exhibit D-13

	Balance Dec. 31, 2015
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	24,871,920.48
Sewer Collection System	5,777,373.97
Sewer Emergency Response	17,781.33
Sewer Equipment	18,543.46
	<u>\$ 51,094,247.50</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-14

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations		Balance Dec. 31, 2015
			Deferred Reserve for Amortization	Charges to Future Revenue	
	General Improvements:				
02-14, 04-31	Improvements to the Water System	\$ 1,679,038.52	\$	\$	\$ 1,679,038.52
05-20	Various Improvements to the Water-Sewer System	1,956,506.64			1,956,506.64
06-22	Various Improvements to the Water-Sewer System	785,715.75			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	2,991,574.00			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
15-03	Sewer Lining Project		374,000.00		374,000.00
15-11	Various Improvements to the Water-Sewer System		268,000.00	1,755,000.00	2,023,000.00
15-27	Well 11 Rehabilitation Project		95,000.00		95,000.00
		\$ 14,449,834.91	\$ 737,000.00	\$ 1,755,000.00	\$ 16,941,834.91

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY OPERATING FUND

Exhibit D-15

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2014</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 543.53		\$ 543.53		\$ 543.53
Other Expenses	1,116,309.59	53,012.39	1,169,321.98	235,025.09	934,296.89
Capital Improvement:					
Capital Outlay		35,440.00	35,440.00	31,944.65	3,495.35
Statutory Expenditures:					
Contribution to:					
Social Security System	17,628.00		17,628.00		17,628.00
Unemployment Compensation Insurance	186.23		186.23		186.23
	<u>\$ 1,134,667.35</u>	<u>\$ 88,452.39</u>	<u>\$ 1,223,119.74</u>	<u>\$ 266,969.74</u>	<u>\$ 956,150.00</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, 2014	\$ 58,214.46
Increased by:	
Budget Appropriations:	
Interest on Bonds and Notes	<u>373,656.34</u>
	<u>431,870.80</u>
Decreased by:	
Disbursed	<u>353,608.33</u>
Balance December 31, 2015	<u><u>\$ 78,262.47</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY ASSESSMENT FUND

Exhibit D-17

STATEMENT OF RESERVE FOR ASSESSMENTS AND LIENS

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Collections to Fund Balance</u>	<u>Balance Dec. 31, 2015</u>
02-42, 04-30, 05-41	Various Local Improvements and Improvements to the Sewer System - Stonehill	\$ 741.38	\$ 741.38	\$
04-19, 04-20	Various Local Improvements and Improvements to the Sewer System - White Mountain	7,577.09	7,577.09	
04-21	Various Local Improvements and Improvements to the Sewer System - Eaglenest	5,901.21	5,554.08	347.13
06-31, 06-43	Various Local Improvements to the Sanitary Sewerage System - Weaverville	24,760.20	11,433.44	13,326.76
07-22, 08-16	Various Local Improvements to the Sanitary Sewerage System - Southern Gulf	<u>40,088.29</u>	<u>10,022.21</u>	<u>30,066.08</u>
		<u>\$ 79,068.17</u>	<u>\$ 35,328.20</u>	<u>\$ 43,739.97</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, 2014		2015 Authorizations		Balance Dec. 31, 2015	
		Date	Amount	Unfunded	Funded	Deferred Charges to Future Revenue	Charged	Funded	Unfunded
General Improvements:									
02-14, 04-31	Improvements to the Water System	8/10/2004	\$ 1,719,000	\$ 34,638.55	\$	\$	\$ 9,139.55	\$	\$ 25,499.00
05-20	Various Improvements to the Water-Sewer System	7/26/2005	2,023,000	254,594.34			3,051.50		251,542.84
06-22	Various Improvements to the Water-Sewer System	5/23/2006	825,000	122,961.24				38,495.49	84,465.75
07-15	Various Improvements to the Water-Sewer System	6/26/2007	300,000	147,580.00				147,580.00	
09-17	Various Improvements to the Water-Sewer System	5/26/2009	3,005,000	1,596,702.77				277,067.96	1,236,974.00
10-22	Various Improvements to the Water-Sewer System	8/31/2010	875,000	551,925.92					551,925.92
11-21	Various Improvements to the Water-Sewer System	8/23/2011	262,000	70,059.48					70,059.48
12-13	Various Improvements to the Water-Sewer System	6/26/2012	700,000	475,880.52					465,278.52
14-06	Various Improvements to the Water-Sewer System	5/27/2014	4,900,000	4,895,962.50		374,000.00		3,874,177.84	938,000.00
15-03	Sewer Lining Project	1/27/2015	374,000			268,000.00		157,318.57	
15-11	Various Improvements to the Water-Sewer System	5/26/2015	2,023,000			95,000.00		206,298.12	1,755,000.00
15-27	Well 11 Rehabilitation Project	11/24/2015	95,000					95,000.00	
						\$ 8,150,305.32	\$ 737,000.00	\$ 467,621.83	\$ 5,378,745.51
	Capital Improvement Fund					\$ 469,000.00			
	Grants Receivable					268,000.00			
						\$ 737,000.00			

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-19

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2014	\$	287,195.00
Increased by:		
2015 Budget Appropriations		600,000.00
		<u>887,195.00</u>
Decreased by:		
Appropriation to Finance Improvement Authorization		469,000.00
		<u>469,000.00</u>
Balance December 31, 2015	\$	<u><u>418,195.00</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION

Exhibit D-20

Balance December 31, 2014	\$	47,187,737.50
Increased by:		
Budget Appropriations:		
Serial Bonds	\$	1,005,000.00
M.C.I.A. Lease Payable		<u>7,560.00</u>
		<u>1,012,560.00</u>
Balance December 31, 2015	\$	<u><u>48,200,297.50</u></u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-21

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Improvements Description</u>	<u>Balance Dec. 31, 2015</u>
	General Improvements:	
02-14, 04-31	Improvements to the Water System	\$ 209,038.52
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	300,000.00
09-17	Various Improvements to the Water-Sewer System	247,600.00
10-22	Various Improvements to the Water-Sewer System	285,800.00
11-21	Various Improvements to the Water-Sewer System	16,600.00
12-13	Various Improvements to the Water-Sewer System	37,600.00
15-03	Sewer Lining Project	374,000.00
15-11	Various Improvements to the Water-Sewer System	268,000.00
15-27	Well 11 Rehabilitation Project	95,000.00
		<u>\$ 1,976,038.52</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-22

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, 2015</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2015</u>
<u>Bonds</u>	<u>7/26/2007</u>	<u>\$</u>	<u>Date</u>	<u>%</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Utility Refunding Bonds	12/16/2009	6,580,000	7/15/2016 7/15/2017 9/15/2016 9/15/2017 9/15/2018 9/15/2019 9/15/2020 9/15/2021	4.125% 4.250% 4.000% 5.000% 5.000% 3.000% 4.000%	1,800,000.00		1,400,000.00	400,000.00
Utility Refunding Bonds	10/01/2012	1,680,000	10/01/2016-18 10/01/2019 10/01/2020 10/1/2021-22 10/1/2023-24	3.000% 3.000% 3.500% 3.500%	3,575,000.00		645,000.00	2,930,000.00
Utility Refunding Bonds	9/10/2015	1,295,000	7/15/2016 7/15/2018 7/15/2019 7/15/2020-21	1.000% 3.000% 4.000% 4.000%	1,650,000.00		160,000.00	1,490,000.00
Utility Bonds	12/11/2015	5,469,000	7/15/2022 11/01/2016 11/01/2017-18 11/01/2019 11/01/2020 11/01/2021 11/01/2022 11/01/2023 11/01/2024 11/01/2025 11/01/2026 11/01/2027	3.000% 3.000% 4.000% 4.000% 2.000% 2.000% 2.000% 2.125% 2.250% 2.375%		1,295,000.00		1,295,000.00
						5,469,000.00		5,469,000.00
						\$ 6,764,000.00	\$ 2,205,000.00	\$ 11,584,000.00
Bonds Issued						\$ 5,469,000.00	\$ 1,005,000.00	\$ 6,474,000.00
Paid by Budget Appropriation						1,295,000.00	1,200,000.00	2,495,000.00
Bonds Refunded						\$ 6,764,000.00	\$ 2,205,000.00	\$ 4,559,000.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-23

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Issued for Cash	Budget Appropriations	Decreased by		Balance Dec. 31, 2015
									Cash on Hand	Serial Bonds Issued	
02-14, 04-31	Improvements to the Water System	12/21/2010				\$ 93,000.00		\$ 69,588.52	\$ 23,411.48		\$
02-14, 04-31	Improvements to the Water System	12/19/2012				50,000.00		50,000.00			450,000.00
02-14, 04-31 05-20	Improvements to the Water System Various Improvements to the Water-Sewer System	12/17/2013	12/11/2015	11/18/2016	2.00%	450,000.00					6,000.00
07-15	Various Improvements to the Water-Sewer System	12/11/2015	12/11/2015	11/18/2016	2.00%		6,000.00				6,000.00
07-15	Various Improvements to the Water-Sewer System	12/22/2009				9,200.00		9,200.00			
09-17	Various Improvements to the Water-Sewer System	12/21/2010				230,000.00		230,000.00			
09-17	Various Improvements to the Water-Sewer System	12/22/2009				727,400.00				727,400.00	
09-17	Various Improvements to the Water-Sewer System	12/21/2010				175,000.00				175,000.00	
09-17	Various Improvements to the Water-Sewer System	12/19/2012				4,500.00				4,500.00	
09-17	Various Improvements to the Water-Sewer System	12/17/2013				300,000.00				300,000.00	
10-22	Various Improvements to the Water-Sewer System	12/21/2010	12/11/2015	11/18/2016	2.00%	423,500.00		210,300.00			213,200.00
11-21	Various Improvements to the Water-Sewer System	12/20/2011	12/11/2015	11/18/2016	2.00%	200,000.00		2,600.00			197,400.00
12-13	Various Improvements to the Water-Sewer System	12/19/2012	12/11/2015	11/18/2016	2.00%	275,600.00		4,200.00			271,400.00
14-06	Various Improvements to the Water-Sewer System	12/15/2014				3,961,800.00				3,961,800.00	
15-11	Various Improvements to the Water-Sewer System	12/11/2015	12/11/2015	11/18/2016	2.00%		1,494,000.00				1,494,000.00
						\$ 6,900,000.00	\$ 1,500,000.00	\$ 575,888.52	\$ 23,411.48	\$ 5,168,700.00	\$ 2,632,000.00

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-24

SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT AUTHORITY LEASE PAYABLE

Sheet 1 of 2

	Year of Lease <u>2013</u>	Lease Principal <u>\$ 73,800.00</u>				
			Maturities of Lease Outstanding Dec. 31, 2015 <u>Date</u> <u>Amount</u> See Amortization Statement	Balance Dec. 31, 2014 <u>\$ 66,510.00</u>	Paid by Budget Appropriation <u>\$ 7,560.00</u>	Balance Dec. 31, 2015 <u>\$ 58,950.00</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-24

SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT

Sheet 2 of 2

AUTHORITY LEASE PAYABLE

<u>Due</u>	<u>Principal</u>	<u>Interest</u>
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	<u>7,380.00</u>	<u>145.00</u>
	<u>\$ 58,950.00</u>	<u>\$ 10,790.00</u>

TOWNSHIP OF FREEHOLD - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-25

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>
	General Improvements:	
05-20	Various Improvements to the Water-Sewer System	\$ 249,356.64
06-22	Various Improvements to the Water-Sewer System	84,465.75
09-17	Various Improvements to the Water-Sewer System	1,236,974.00
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	938,000.00
15-11		<u>261,000.00</u>
		<u>\$ 3,584,796.39</u>

TOWNSHIP OF FREEHOLD

COUNTY OF MONMOUTH

SECTION III

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

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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, 2015, 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 period of January 1, 2015 to June 30, 2015, and \$40,000 for the period of July 1, 2015 to December 31, 2015.

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 2, 2015 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, 2015 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>
2015	22
2014	22
2013	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 2015.

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 2015.

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.
