

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY**

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

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COUNTY OF MONMOUTH, NEW JERSEY
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**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**



HOLMAN | FRENIA
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Matawan
County of Monmouth
Matawan, New Jersey 07747

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 Borough of Matawan, 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 Borough of Matawan 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 Borough of Matawan, 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.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 15.69% and 16.75% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2015 and 2014.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Matawan, 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 --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 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 Borough of Matawan 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 July 14, 2016, on our consideration of the Borough of Matawan'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 Borough of Matawan'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
July 14, 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 Borough Council
Borough of Matawan
County of Monmouth
Matawan, New Jersey 07747

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 Borough of Matawan (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 July 14, 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.

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough of Matawan’s financial statements as of and for the year ended December 31, 2015. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations sections as Findings No's. 2015-001.

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
July 14, 2016

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Current Fund:			
Cash - Treasurer	A-4	\$ 3,970,204.73	\$ 3,295,200.91
Cash - Change Fund	A-5	<u>150.00</u>	<u>150.00</u>
		<u>3,970,354.73</u>	<u>3,295,350.91</u>
Due From State of New Jersey	A-6	<u>1,250.00</u>	<u>1,250.00</u>
		<u>3,971,604.73</u>	<u>3,296,600.91</u>
Receivables With Full Reserves:			
Delinquent Taxes Receivable	A-7	31,701.21	27,304.15
Tax Title Liens Receivable	A-8	31,451.25	28,611.72
Property Acquired for Taxes - Assessed Valuation	A-9	27,600.00	27,600.00
Revenue Accounts Receivable	A-10	<u>732.00</u>	<u>1,374.50</u>
		<u>91,484.46</u>	<u>84,890.37</u>
Deferred Charges:			
Special Emergency Authorization	A-11	<u>155,000.00</u>	<u>135,000.00</u>
		<u>4,218,089.19</u>	<u>3,516,491.28</u>
Federal and State Grants:			
State Grants Receivable	A-22	767.52	767.52
Due From Current Fund	A-23	93,286.30	96,001.98
Deferred Charge: Expenditure of Unappropriated Grant	A-24	<u>102,019.00</u>	<u>102,019.00</u>
		<u>196,072.82</u>	<u>198,788.50</u>
Total Assets		<u><u>\$ 4,414,162.01</u></u>	<u><u>\$ 3,715,279.78</u></u>

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3	\$ 419,251.65	\$ 430,087.33
Encumbrances Payable	A-3	263,041.64	151,004.11
Prepaid Taxes	A-13	115,441.91	105,108.63
County Taxes Payable	A-14	5,391.72	3,834.52
Regional School Taxes Payable	A-15	10.18	10.00
Library Taxes Payable	A	182.00	-
Accounts Payable	A-16	140,779.30	100,226.09
Tax Overpayments	A-17	4,962.28	35,680.44
Due To:			
Federal and State Grant Fund	A	93,286.30	96,001.98
General Capital Fund	A-18	108,108.31	88,108.31
State New Jersey	A-19	923.00	250.00
Various Reserves	A-20	114,979.12	138,423.51
Special Emergency Note Payable	A-21	40,000.00	60,000.00
		<u>1,306,357.41</u>	<u>1,208,734.92</u>
Reserve for Receivables and Other Assets	A	91,484.46	84,890.37
Fund Balance	A-1	<u>2,820,247.32</u>	<u>2,222,865.99</u>
		<u>4,218,089.19</u>	<u>3,516,491.28</u>
Federal and State Grants:			
Appropriated Reserves	A-25	73,393.01	60,468.96
Reserve for Encumbrances	A-25	-	8,575.00
Unappropriated Reserves	A-26	122,679.81	129,744.54
		<u>196,072.82</u>	<u>198,788.50</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,414,162.01</u>	<u>\$ 3,715,279.78</u>

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 200,000.00	\$ -
Miscellaneous Revenue Anticipated	2,721,710.33	2,835,331.26
Receipts From Delinquent Taxes	6,833.67	2,101.01
Non-Budget Revenue	112,577.60	186,384.86
Receipt From Current Taxes	26,447,831.01	25,763,164.62
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	202,908.25	299,443.88
Interfunds Returned	-	2,631.48
	<u>29,691,860.86</u>	<u>29,089,057.11</u>
Total Revenue		
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	3,662,809.31	3,550,781.00
Other Expenses	3,767,897.01	3,721,837.00
Deferred Charges and Statutory Expenditures	817,000.00	844,983.00
Appropriations Excluded From "CAPS":		
Operations:		
Other Expenses	460,685.54	450,615.34
Capital Improvements	145,000.00	145,000.00
Municipal Debt Service	1,698,212.47	1,644,624.28
Deferred Charges	35,000.00	20,000.00
County Taxes	2,672,975.78	2,470,081.41
County Share of Added Taxes	5,391.72	3,834.52
Regional School Taxes	15,664,822.00	15,438,933.00
Refund Prior Year's Tax Revenue	-	86,104.18
Senior Citizens' and Veterans' Disallowed	1,000.00	-
Other Refunds	18,685.70	390.90
	<u>28,949,479.53</u>	<u>28,377,184.63</u>
Total Expenditures		
Excess in Revenue	<u>742,381.33</u>	<u>711,872.48</u>
Adjustments To Income Before Fund Balance		
Expenditures Included Above Which Are By		
Statute Deferred Charges To Budget of Succeeding Year:		
Special Emergency Appropriation	<u>55,000.00</u>	<u>75,000.00</u>
Statutory Excess To Fund Balance	797,381.33	786,872.48
Fund Balance, January 1	<u>2,222,865.99</u>	<u>1,435,993.51</u>
	3,020,247.32	2,222,865.99
Decreased By:		
Utilized as Anticipated Revenue	<u>200,000.00</u>	-
Fund Balance, December 31	<u>\$ 2,820,247.32</u>	<u>\$ 2,222,865.99</u>

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Anticipated <u>Budget</u>	Budget <u>Amendments</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 200,000.00	\$ -	\$ 200,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	20,470.00	-	22,515.57	2,045.57
Other	13,736.00	-	12,190.00	(1,546.00)
Fees and Permits	19,390.00	-	26,727.13	7,337.13
Fines and Costs - Municipal Court	141,036.00	-	109,465.66	(31,570.34)
Interest and Costs on Taxes	55,507.00	-	58,442.38	2,935.38
PILOT - Senior Citizens Housing Complex	88,566.00	-	87,250.00	(1,316.00)
Cable Television Fees	145,736.60	-	145,736.60	-
Railroad Parking Lot Fees and Permits	250,000.00	-	250,000.00	-
Rental of Matawan Municipal Community Center	58,410.00	-	65,267.00	6,857.00
Cell Tower Rentals	84,347.00	-	73,525.10	(10,821.90)
2% Administrative Payment - Seniors & Vet's Deduction	1,170.00	-	1,080.00	(90.00)
Energy Receipts Tax	1,451,158.00	-	1,451,158.00	-
Uniform Construction Code Fees	179,272.00	-	269,276.00	90,004.00
Uniform Fire Safety Act	58,600.00	-	59,370.35	770.35
Reserve for FEMA - Superstorm Sandy	20,000.00	-	20,000.00	-
Due From:				
Off Duty Police Trust Fund Reserve	30,000.00	-	30,000.00	-
Recycling Tonnage Grant	10,819.05	-	10,819.05	-
Historical Grant	-	11,981.00	11,981.00	-
Clean Communities Program	14,457.87	-	14,457.87	-
Alcohol Education and Rehabilitation Fund	177.24	-	177.24	-
Body Armor Fund	2,271.38	-	2,271.38	-
Total Miscellaneous Revenues	2,645,124.14	11,981.00	2,721,710.33	64,605.19
Receipts From Delinquent Taxes	-		6,833.67	6,833.67
Property Taxes for Support of Municipal Budget Appropriations:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	7,769,322.03	-	8,199,321.82	429,999.79
Minimum Library Tax	303,796.66	-	303,796.66	-
Budget Totals	10,918,242.83	11,981.00	11,431,662.48	501,438.65
Non-Budget Revenue	-	-	112,577.60	112,577.60
Total General Revenues	\$ 10,918,242.83	\$ 11,981.00	\$ 11,544,240.08	\$ 614,016.25

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 26,447,831.01
Allocated to: School and County Taxes	<u>18,343,189.50</u>
Balance for Support of Municipal Budget Appropriations	8,104,641.51
Add: "Appropriation Reserve for Uncollected Taxes"	<u>398,476.97</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 8,503,118.48</u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	\$ 4,090.65
Tax Title Lien Collections	<u>2,743.02</u>
Total Receipts From Delinquent Taxes	<u>\$ 6,833.67</u>
Miscellaneous Revenue Not Anticipated:	
Board of Health	\$ 1,125.00
Burial Fees	1,120.00
Car Reimbursements	2,515.05
Copier Fees	37.16
Interest on Investments and Deposits	6,195.37
Sale of Asset	791.75
Lawn Maintenance	400.00
Workmen's Compensation	26,517.43
Vacant Property Fee	13,500.00
YMCA Electric Bill	7,126.92
JIF Dividend	45,781.80
Polling Place Rent	1,600.00
Miscellaneous	<u>5,867.12</u>
	<u>\$ 112,577.60</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications		Encumbrances	Reserved	
GENERAL APPROPRIATIONS						
Operations - Within "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 71,500.00	\$ 71,500.00	\$ 70,924.97	\$ -	\$ 575.03	\$ -
Other Expenses	25,000.00	25,000.00	23,325.95	615.56	1,058.49	-
Mayor and Council:						
Salaries and Wages	21,250.00	21,250.00	21,250.00	-	-	-
Other Expenses	2,880.00	2,880.00	1,499.70	178.00	1,202.30	-
Municipal Clerk:						
Salaries and Wages	75,100.00	73,100.00	66,942.88	-	6,157.12	-
Other Expenses	16,110.00	16,110.00	13,684.02	1,581.32	844.66	-
Financial Administration (Treasury):						
Salaries and Wages	60,350.00	60,350.00	58,272.70	-	2,077.30	-
Other Expenses	11,169.00	11,169.00	10,318.12	171.82	679.06	-
Audit Services:						
Other Expenses	26,500.00	26,500.00	26,500.00	-	-	-
Tax Collection:						
Salaries and Wages	55,000.00	55,000.00	54,135.06	-	864.94	-
Other Expenses	6,730.00	13,230.00	4,362.34	8,428.80	438.86	-
Tax Assessment Administration:						
Salaries and Wages	41,000.00	41,000.00	39,862.48	-	1,137.52	-
Other Expenses	2,835.00	57,835.00	57,542.05	188.98	103.97	-
Legal Services:						
Other Expenses	115,900.00	105,900.00	94,329.03	180.00	11,390.97	-

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriated		Paid or <u>Charged</u>	Expended		Unexpended Balance <u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbrances</u>	<u>Reserved</u>	
Engineering Services:						
Other Expenses	76,000.00	101,000.00	87,619.72	12,146.91	1,233.37	-
Downtown Redevelopment						
Other Expenses	7,500.00	7,500.00	-	5,800.00	1,700.00	-
Historical Sites Office:						
Salaries and Wages	1,200.00	1,200.00	1,100.00	-	100.00	-
Other Expenses	12,825.00	12,825.00	6,425.44	6,399.56	-	-
Land Use Administration:						
Salaries and Wages	16,823.00	16,823.00	15,969.06	-	853.94	-
Other Expenses	9,027.00	9,027.00	6,479.52	-	2,547.48	-
INSURANCE						
General Liability	140,000.00	137,500.00	137,469.47	-	30.53	-
Workmen's Compensation	155,600.00	155,600.00	155,535.66	-	64.34	-
Employee Group Health	1,133,065.00	1,133,065.00	1,107,336.22	2,386.00	23,342.78	-
PUBLIC SAFETY						
Municipal Court:						
Other Expenses	147,093.00	165,000.00	73,546.21	91,453.79	-	-
Police Department:						
Salaries and Wages	2,437,126.00	2,437,126.00	2,358,088.74	-	79,037.26	-
Other Expenses	260,350.00	260,350.00	210,874.97	11,382.67	38,092.36	-
Office of Emergency Management:						
Salaries and Wages	7,000.00	7,000.00	7,000.00	-	-	-
Other Expenses	15,000.00	15,000.00	5,131.46	-	9,868.54	-
Aid to Volunteer First Aid:						

BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Appropriated		Paid or <u>Charged</u>	Expended		Unexpended Balance <u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbrances</u>	<u>Reserved</u>	
Other Expenses	15,000.00	15,000.00	15,000.00	-	-	-
Fire:						
Other Expenses	137,425.00	137,425.00	96,230.96	20,969.36	20,224.68	-
Aid to Volunteer Fire Department:	16,500.00	16,500.00	14,144.00	-	2,356.00	-
Uniform Fire Safety:						
Salaries and Wages	52,000.00	63,000.00	62,775.12	-	224.88	-
Other Expenses	6,890.00	6,890.00	3,751.27	-	3,138.73	-
PUBLIC WORKS						
Railroad Parking:						
Salaries and Wages	203,000.00	216,500.00	215,990.86	-	509.14	-
Other Expenses	47,000.00	43,500.00	43,291.71	-	208.29	-
Streets and Road Maintenance:						
Salaries and Wages	307,965.00	335,600.31	335,600.31	-	-	-
Other Expenses	80,300.00	102,283.01	85,117.71	6,417.45	10,747.85	-
Shade Tree Commission:						
Salaries and Wages	1,200.00	1,200.00	1,100.00	-	100.00	-
Other Expenses	11,450.00	13,950.00	12,959.17	100.00	890.83	-
Solid Waste Collection:						
Salaries and Wages	4,000.00	4,000.00	2,196.13	-	1,803.87	-
Other Expenses	540,000.00	530,500.00	475,574.92	25,446.87	29,478.21	-
Buildings and Grounds:						
Salaries and Wages	75,200.00	87,700.00	85,376.76	-	2,323.24	-
Other Expenses	53,300.00	60,800.00	57,086.20	3,200.69	513.11	-

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriated		Paid or <u>Charged</u>	Expended		Unexpended Balance <u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbrances</u>	<u>Reserved</u>	
Vehicle Maintenance:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	66,500.00	81,500.00	67,031.01	11,414.96	3,054.03	-
HEALTH AND HUMAN SERVICES						
Board of Health:						
Salaries and Wages	5,300.00	5,300.00	4,557.78	-	742.22	-
Other Expenses	32,200.00	26,200.00	12,837.81	2,730.00	10,632.19	-
Environmental Health Services:						
Other Expenses	100.00	100.00	-	-	100.00	-
Welfare/Administration of Public Assistance:						
Other Expenses	50.00	50.00	-	-	50.00	-
PARK AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	13,600.00	13,600.00	13,276.77	-	323.23	-
Other Expenses	23,800.00	23,800.00	22,809.42	480.00	510.58	-
OTHER COMMON OPERATING FUNCTIONS						
Accumulated Sick Leave	10,000.00	3,500.00	-	-	3,500.00	-
STATE UNIFORM CONSTRUCTION CODE OFFICIALS						
Construction Code Official:						
Salaries and Wages	148,000.00	142,000.00	140,201.01	-	1,798.99	-
Other Expenses	7,750.00	6,750.00	5,724.81	-	1,025.19	-
Division of Property Maintenance:						
Salaries and Wages	14,560.00	9,560.00	8,246.00	-	1,314.00	-
Other Expenses	565.00	565.00	347.99	-	217.01	-

BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Appropriated		Paid or <u>Charged</u>	Expended		Unexpended Balance <u>Cancelled</u>
	Original <u>Budget</u>	Budget After <u>Modifications</u>		<u>Encumbrances</u>	<u>Reserved</u>	
UTILITY EXPENSE AND BULK PURCHASES						
Utilities	379,000.00	330,000.00	243,643.83	7,368.90	78,987.27	-
Street Lighting	145,000.00	112,093.00	90,832.65	-	21,260.35	-
Total Operations Within "CAPS"	7,347,588.00	7,429,706.32	6,831,229.97	219,041.64	379,434.71	-
Contingent	1,000.00	1,000.00	-	-	1,000.00	-
Total Operations Including Contingent Within "CAPS"	7,348,588.00	7,430,706.32	6,831,229.97	219,041.64	380,434.71	-
Detail:						
Salaries and Wages	3,611,174.00	3,662,809.31	3,562,866.63	-	99,942.68	-
Other Expenses	3,737,414.00	3,767,897.01	3,268,363.34	219,041.64	280,492.03	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":						
Statutory Expenditures: Contribution To:						
Public Employees' Retirement System	155,500.00	155,500.00	155,485.98	-	14.02	-
Social Security System (O.A.S.I.)	125,000.00	130,500.00	129,343.08	-	1,156.92	-
Police and Firemen's Retirement System	516,000.00	516,000.00	515,953.00	-	47.00	-
Unemployment Insurance	15,000.00	15,000.00	15,000.00	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	811,500.00	817,000.00	815,782.06	-	1,217.94	-

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriated		Paid or <u>Charged</u>	Expended		Unexpended Balance <u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbrances</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	8,160,088.00	8,247,706.32	7,647,012.03	219,041.64	381,652.65	-
OPERATIONS - Excluded From "CAPS"						
Declared State of Emergency costs for Snow Removal N.J.S.A. (40A:4-45.45(b)) and 40A:4-45.3(bb). Salaries and Wages	10,635.31	-	-	-	-	-
Other Expenses	21,983.01	-	-	-	-	-
Monmouth County 911 Program	11,000.00	11,000.00	11,000.00	-	-	-
Maintenance of Joint Free Public Library	303,979.00	303,979.00	303,797.00	-	182.00	-
Length of Service Award Program	44,000.00	44,000.00	-	44,000.00	-	-
Reserve for Tax Appeals	37,000.00	37,000.00	-	-	37,000.00	-
Total Other Operations Excluded From "CAPS"	428,597.32	395,979.00	314,797.00	44,000.00	37,182.00	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
HAM Program - Aberdeen Township	25,000.00	25,000.00	24,583.00	-	417.00	-
Total Interlocal Municipal Service Agreements	25,000.00	25,000.00	24,583.00	-	417.00	-

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

BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Appropriated		Paid or <u>Charged</u>	Expended		Unexpended Balance <u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbrances</u>	<u>Reserved</u>	
PUBLIC AND PRIVATE PROGRAMS OFFSET						
BY REVENUES						
Clean Communities Program	14,457.87	14,457.87	14,457.87	-	-	
Body Armor Fund	2,271.38	2,271.38	2,271.38	-	-	
Alcohol Education and Rehabilitation Fund	177.24	177.24	177.24	-	-	
Historic Sites	-	11,981.00	11,981.00	-	-	
Recycling Tonnage Grant	10,819.00	10,819.05	10,819.05	-	-	
Total Public and Private Programs Offset	27,725.49	39,706.54	39,706.54	-	-	
By Revenues						
Total Operations - Excluded From "CAPS"	481,322.81	460,685.54	379,086.54	44,000.00	37,599.00	-
Detail:						
Other Expenses	481,322.81	460,685.54	379,086.54	44,000.00	37,599.00	-
Capital Improvements - Excluded From "CAPS" :						
Capital Improvement Fund	145,000.00	145,000.00	145,000.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	145,000.00	145,000.00	145,000.00	-	-	-

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriated		Paid or <u>Charged</u>	Expended		Unexpended Balance <u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbrances</u>	<u>Reserved</u>	
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,031,917.00	1,031,917.00	1,031,917.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes						
Interest on Bonds	386,593.00	386,593.00	386,592.02	-	0.98	-
Interest on Notes	38,500.00	38,500.00	38,422.21	-	77.79	-
MCIA Principal	109,200.00	109,200.00	109,200.00	-	-	-
MCIA Interest	23,800.00	23,800.00	23,737.18	-	62.82	-
BAN Other Expense	90,000.00	90,000.00	90,000.00	-	-	-
NJ Loans	18,345.00	18,345.00	18,344.06	-	0.94	-
Total Municipal Debt Service - Excluded From "CAPS"	1,698,355.00	1,698,355.00	1,698,212.47	-	-	142.53
Deferred Charges - Municipal - Excluded From "CAPS"						
Emergency Authorizations						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	35,000.00	35,000.00	35,000.00	-	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	35,000.00	35,000.00	35,000.00	-	-	-

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

BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Appropriated		Expended			Unexpended
	Original Budget	Budget After Modifications	Paid or Charged	Encumbrances	Reserved	Balance Cancelled
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	2,359,677.81	2,339,040.54	2,257,299.01	44,000.00	37,599.00	142.53
Subtotal General Appropriations	10,519,765.81	10,586,746.86	9,904,311.04	263,041.64	419,251.65	142.53
Reserve for Uncollected Taxes	398,476.97	398,476.97	398,476.97	-	-	-
Total General Appropriations	<u>\$ 10,918,242.78</u>	<u>\$ 10,985,223.83</u>	<u>\$ 10,302,788.01</u>	<u>\$ 263,041.64</u>	<u>\$ 419,251.65</u>	<u>\$ 142.53</u>
Budget as Adopted	\$ 10,918,242.78					
Added by N.J.S. 40A:4-87	11,981.05					
Deferred Charges:						
Special Emergency Authorization		<u>55,000.00</u>				
		<u>\$ 10,985,223.83</u>				
Analysis of Paid or Charged:						
Reserve for Uncollected Taxes			\$ 398,476.97			
Cash Disbursements			9,774,604.50			
Deferred Charges:						
Special Emergency Authorizations			35,000.00			
Reserve for Appropriated Grants			39,706.54			
Reserve for Master Plan			<u>55,000.00</u>			
			<u>\$ 10,302,788.01</u>			

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ 1,730.93	\$ 3,436.13
Due From State of New Jersey	B-2	<u>9.80</u>	<u>-</u>
		<u>1,740.73</u>	<u>3,436.13</u>
Other Trust Funds:			
Cash:			
LETF	B-1	12,373.52	182.86
Recreation	B-1	37,504.38	31,005.05
Developer's Escrow	B-1	289,793.68	348,426.53
Unemployment	B-1	22,963.18	12,673.22
Railroad Parking	B-1	332,149.12	327,412.30
Trust - Other	B-1	<u>1,342,601.99</u>	<u>1,303,034.76</u>
		<u>2,037,385.87</u>	<u>2,022,734.72</u>
Payroll Agency Fund:			
Cash	B	<u>63,668.75</u>	<u>77,430.52</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	B-11	<u>391,211.66</u>	<u>423,274.91</u>
Total Assets		<u>\$ 2,494,007.01</u>	<u>\$ 2,526,876.28</u>

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities and Reserves</u>			
Animal Control Trust Fund:			
Due From State of New Jersey	B-2	-	23.40
Reserve For Animal Control Fund			
Expenditures	B-3	<u>\$ 1,740.73</u>	<u>\$ 3,412.73</u>
		<u>1,740.73</u>	<u>3,436.13</u>
Other Trust Funds:			
Reserves:			
LETF	B-4	12,373.52	182.86
Recreation	B-5	37,504.38	31,005.05
Developer's Escrow	B-6	289,793.68	348,426.53
Unemployment	B-7	22,963.18	12,673.22
Railroad Parking	B-8	88,609.12	80,932.30
Various	B-9	1,342,601.99	1,303,034.76
Prepaid Railroad Permits	B-10	<u>243,540.00</u>	<u>246,480.00</u>
		<u>2,037,385.87</u>	<u>2,022,734.72</u>
Payroll Agency Fund:			
Payroll Deductions Payable	B	<u>63,668.75</u>	<u>77,430.52</u>
Length of Service Award Program			
Fund ("LOSAP") - Unaudited:			
Miscellaneous Reserves	B-12	<u>391,211.66</u>	<u>423,274.91</u>
Total Liabilities and Reserves		<u><u>\$ 2,494,007.01</u></u>	<u><u>\$ 2,526,876.28</u></u>

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Cash	C-2, C-3	\$ 1,685,385.92	\$ 673,435.17
Investments	C-3	40,000.00	60,000.00
Due From:			
Current Fund	C-12	108,108.31	88,108.31
Monmouth County Improvement Authority	C-13	50,723.98	22,295.72
Grants Receivable	C-14	474,101.80	479,101.80
Deferred Capital Lease Obligations	C	982,000.00	522,200.00
Deferred Charges to Future Taxation:			
Funded	C-4	7,456,999.90	8,504,046.55
Unfunded	C-5	<u>7,461,969.01</u>	<u>5,086,719.01</u>
Total Assets		<u>\$ 18,259,288.92</u>	<u>\$ 15,435,906.56</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-6	\$ 7,345,709.00	\$ 8,376,876.00
Bond Anticipation Notes	C-7	4,662,500.00	3,752,500.00
Green Trust Loan Payable	C-8	111,290.90	127,170.55
Capital Lease Obligation Payable	C-9	982,000.00	522,200.00
Improvement Authorizations:			
Funded	C-10	199,987.06	82,095.32
Unfunded	C-10	4,416,987.58	2,040,382.17
Reserve for Encumbrances	C-10	283,249.30	291,734.43
Capital Improvement Fund	C-11	229,594.29	214,344.29
Due To:			
Water/Sewer Utility Operating Fund	D	-	633.01
Fund Balance	C-1	<u>27,970.79</u>	<u>27,970.79</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 18,259,288.92</u>	<u>\$ 15,435,906.56</u>

There were bonds and notes authorized but not issued at December 31, 2015 in the amount of \$2,799,469.01 and on December 31, 2014 in the amount of \$1,334,219.01.

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE -REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 27,970.79

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE- REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-6	\$ 1,993,244.94	\$ 1,814,348.49
Change Fund	D	50.00	50.00
Interfunds Receivable	D-18,D-19-D-20	-	136,229.52
		<u>1,993,294.94</u>	<u>1,950,628.01</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-8	<u>211,626.08</u>	<u>215,216.03</u>
Total Operating Fund		<u>2,204,921.02</u>	<u>2,165,844.04</u>
Assessment Trust Fund:			
Due From Water/Sewer Utility Capital Fund	D	4,959.69	5,165.67
Assessments Receivable	D-22	-	28,141.00
		<u>4,959.69</u>	<u>33,306.67</u>
Capital Fund:			
Cash and Cash Equivalents	D-6	662,889.09	66,735.42
NJEIT Loans Receivable	D-28	220,770.00	1,577,250.00
Fixed Capital	D-9	18,422,359.60	18,422,359.60
Fixed Capital Authorized and Uncompleted	D-10	<u>10,543,009.65</u>	<u>10,098,009.65</u>
		<u>29,849,028.34</u>	<u>30,164,354.67</u>
Total Assets		<u>\$ 32,058,909.05</u>	<u>\$ 32,363,505.38</u>

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE- REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	D-5	\$ 153,720.01	\$ 194,233.58
Reserve for Encumbrances	D-5	57,711.68	74,093.73
Accounts Payable	D	1,879.50	1,879.50
Customer Overpayments	D-23	5,999.44	10,526.24
Accrued Interest on Bonds, Notes and Loans	D-12	<u>122,022.22</u>	<u>130,084.87</u>
		<u>341,332.85</u>	<u>410,817.92</u>
Reserve for Receivables	D	211,626.08	215,216.03
Fund Balance	D-1	<u>1,651,962.10</u>	<u>1,539,810.09</u>
		<u>1,863,588.18</u>	<u>1,755,026.12</u>
Total Operating Fund		<u>2,204,921.02</u>	<u>2,165,844.04</u>
Assessment Trust Fund:			
Due To Water/Sewer Utility Operating Fund	D-20	-	205.98
Reserve for Assessments Receivable	D	-	28,141.00
Fund Balance	D-3	<u>4,959.69</u>	<u>4,959.69</u>
Total Assessment Trust Fund		<u>4,959.69</u>	<u>33,306.67</u>
Capital Fund:			
Serial Bonds	D-17	5,255,291.00	5,686,124.00
State of N.J. Environmental Infrastructure Loan Payable	D-25	6,614,548.47	7,074,341.12
Bond Anticipation Notes	D-29	450,000.00	450,000.00
Improvement Authorizations:			
Funded	D-13	44,463.59	152,633.33
Unfunded	D-13	1,041,866.58	1,240,949.09
Reserve for Encumbrances	D-13	178,732.09	151,209.66
Capital Improvement Fund	D-14	331,600.00	231,600.00
Reserve for Amortization	D-15	15,836,888.26	14,946,262.61
Deferred Reserve for Amortization	D-16	68,865.52	68,865.52
Interfunds Payable	D-26,D-27	4,959.69	140,556.20
Fund Balance	D-2	<u>21,813.14</u>	<u>21,813.14</u>
Total Capital Fund		<u>29,849,028.34</u>	<u>30,164,354.67</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 32,058,909.05</u>	<u>\$ 32,363,505.38</u>

There were bonds and notes authorized but not issued at December 31, 2015 in the amount of \$739,776.00 and on December 31, 2014 in the amount of \$1,187,860.

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 202,000.00	\$ 202,000.00
Water and Sewer Rents and Charges	4,757,204.25	4,563,157.97
Miscellaneous Revenue	61,794.34	83,185.39
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	<u>119,582.76</u>	<u>165,783.12</u>
Total Revenue	<u>5,140,581.35</u>	<u>5,014,126.48</u>
Expenditures:		
Operating	3,378,412.00	3,371,302.35
Debt Service	1,250,215.53	1,125,272.10
Deferred Charges	95,000.00	89,110.65
Capital Improvements	100,000.00	80,000.00
Prior Year Overpayments Created	<u>2,801.82</u>	<u>-</u>
	<u>4,826,429.35</u>	<u>4,665,685.10</u>
Excess in Revenue	314,152.00	348,441.38
Fund Balance, January 1	<u>1,539,810.09</u>	<u>1,393,368.71</u>
	1,853,962.10	1,741,810.09
Decreased By:		
Utilized as Anticipated Revenue	<u>202,000.00</u>	<u>202,000.00</u>
Fund Balance, December 31	<u><u>\$ 1,651,962.10</u></u>	<u><u>\$ 1,539,810.09</u></u>

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 and 2014

\$ 21,813.14

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 4,959.69

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 202,000.00	\$ 202,000.00	\$ -
Water/Sewer Rents	4,638,570.00	4,757,204.25	118,634.25
Miscellaneous	-	61,794.34	61,794.34
	<u>\$ 4,840,570.00</u>	<u>\$ 5,020,998.59</u>	<u>\$ 180,428.59</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Investments	\$ 2,644.45
Interest on Delinquent Accounts	51,298.64
Miscellaneous	<u>7,851.25</u>
Total Miscellaneous Revenue Not Anticipated	<u>\$ 61,794.34</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED 31, 2015**

	Appropriations		Expended			
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 699,508.00	\$ 644,508.00	\$ 579,085.92	\$ -	\$ 65,422.08	\$ -
Other Expenses	1,083,904.00	1,148,275.60	1,090,942.68	25,589.98	31,742.94	-
Acquisition of Water	490,000.00	490,000.00	407,568.46	32,121.70	50,309.84	-
Bayshore Regional Sewerage Authority	1,105,000.00	1,095,628.40	1,095,628.40	-	-	-
Total Operating	3,378,412.00	3,378,412.00	3,173,225.46	57,711.68	147,474.86	-
Capital Improvement Fund:						
Capital Improvements	100,000.00	100,000.00	100,000.00	-	-	-
Total Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
Debt Service:						
Payment on Bond Principal	430,083.00	430,083.00	430,083.00	-	-	-
Interest on Bonds and Notes	372,075.00	372,075.00	355,852.38	-	-	16,222.63
Interest on Notes	5,000.00	5,000.00	4,487.50	-	-	512.50
Water Treatment Loan:						
Principal	460,000.00	460,000.00	459,792.65	-	-	207.35
Total Debt Service	1,267,158.00	1,267,158.00	1,250,215.53	-	-	16,942.48
Statutory Expenditures:						
Contributions To:						
Social Security System (O.A.S.I.)	51,000.00	51,000.00	44,899.83	-	6,100.17	-
PERS	44,000.00	44,000.00	43,855.02	-	144.98	-
Total Statutory Expenditures	95,000.00	95,000.00	88,754.85	-	6,245.15	-
Total Water/Sewer Utility Appropriations	\$ 4,840,570.00	\$ 4,840,570.00	\$ 4,612,195.84	\$ 57,711.68	\$ 153,720.01	\$ 16,942.48
Cash Disbursed			\$ 4,620,258.49			
Accrued Interest			(8,062.66)			
			<u>\$ 4,612,195.84</u>			

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

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**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	Balance December 31, <u>2015</u>	Balance December 31, <u>2014</u>
Land	E-1	\$ 4,540,000.00	\$ 4,540,000.00
Buildings and Improvements	E-1	5,763,100.00	5,763,100.00
Machinery, Equipment and Vehicles	E-1	<u>5,695,756.93</u>	<u>5,485,180.44</u>
Total General Fixed Assets		<u>\$ 15,998,856.93</u>	<u>\$ 15,788,280.44</u>
Investment in General Fixed Assets	E	<u>\$ 15,998,856.93</u>	<u>\$ 15,788,280.44</u>

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

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**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY**

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

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**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

Note 1. Summary of Significant Accounting Policies

Reporting Entity

Matawan was formed as a borough on June 28, 1895, from portions of Matawan Township (now Aberdeen Township), based on the results of a referendum held that day. Matawan expanded with portions of Matawan Township in 1931 and 1933, and from Madison Township (now Old Bridge Township) in 1939. As of the 2010 United States Census, the borough's population was 8,810. The Borough of Matawan is governed under the Borough form of New Jersey government, a Mayor and Borough Council.

Component Units

The Borough of Matawan had no component units as defined by Governmental Accounting Standards Board Statement No.14 as amended by GASB 39 and 61.

Basis of Accounting, Measurement Focus and Basis of Presentation

The financial statements of the Borough of Matawan contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Matawan accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Trust Funds – various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Water/Sewer Utility Operating and Capital Funds - are used to account for water/sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the water/sewer utility to the general public be financed through user fees. Operations relating to the acquisition of water/sewer capital facilities are recorded within the Water/Sewer Utility Capital Fund.

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current and water/sewer utility funds in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the Borough. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40AA-9*. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

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

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

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

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

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 1. Summary of Significant Accounting Policies (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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase. No depreciation has been recorded. Fixed Assets acquired through grants in and/or contributed capital has not been accounted for separately. Fixed Assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is valued at estimated market value.

Property and Equipment purchased by the Water and Sewer utility Fund are recorded in the capital account at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization are an accumulation of charges to operations for the costs of acquisitions of property, equipment and improvements. The utility fund does not record depreciation on fixed assets.

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

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

Fund Balances - Fund balances included in the current fund and water/sewer utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Matawan-Aberdeen Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the regional high school district the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

County Taxes - The Borough is responsible for levying, collecting, and remitting county taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by May 5th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

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

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

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

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

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Subsequent Events - The Borough of Matawan has evaluated subsequent events occurring after December 31, 2015 through the date of July 14, 2016, which is the date the financial statements were available to be issued.

Volunteer Length of Service Award Plan - The Borough has established a Volunteer Length of Service Award Plan (“LOSAP”) (“Plan”) to ensure retention of the Borough’s volunteer First Aid Squad members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a “Length of Service Award Plan under Section 457(e)11 of the Internal Revenue Code”.

The LOSAP Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements.

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

Note 2. Cash and Cash Equivalents

The Borough is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2015 and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	<u>\$ 10,414,510.23</u>
Total Deposits	<u><u>\$ 10,414,510.23</u></u>
The Borough's Cash and Cash Equivalents are Reported as Follows:	
Current Fund	\$ 3,970,204.73
Animal Control Fund	1,730.93
Trust Other Funds	2,037,385.87
Payroll Trust	63,668.75
General Capital Fund	1,685,385.92
Water/Sewer Operating Fund	1,993,244.95
Water/Sewer Capital Fund	<u>662,889.08</u>
Total Cash and Cash Equivalents	<u><u>\$ 10,414,510.23</u></u>

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 2. Cash and Cash Equivalents (continued):

policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2015, the Borough's bank balance of \$10,457,730.29 was insured or collateralized as follows:

Insured under FDIC	\$	250,000.00
Uninsured and Uncollateralized		2,043,991.94
Collateralized in the Borough's name under GUDPA		8,163,738.35
	\$	10,457,730.29

Note: 3: Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Borough, and are held by either the counterparty's trust department or agent but no in the Borough name. As of December 31, 2015 the Borough's balance of investments was \$431,211.66, which consisted of investment in bond anticipation notes in the amount \$40,000.00, which are not exposed to custodial credit risk because the investment securities are held by the Borough and mutual funds for the Borough's Length of Service Awards Program in the amount of \$391,211.66, which are not exposed to custodial credit risk because the investments securities are registered in the Borough's name.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits investments that the Borough may purchase. The Borough does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Borough does not place a limit on the amount that may be invested in any one issuer. Of the total December 31, 2015 balance of \$431,211.66, \$40,000.00 is recorded in the General Capital Fund and \$391,211.66 is recorded in the Trust Fund – LOSAP.

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note: 4: Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years:

Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	<u>\$2.735</u>	<u>\$2.725</u>	<u>\$2.496</u>
Apportionment of Tax Rate:			
Municipal	0.836	0.832	0.752
County	0.277	0.261	0.272
Regional School	1.622	1.632	1.472

Net Valuation Taxable:

2015	<u>\$ 965,735,400.00</u>	
2014	<u>\$ 945,932,600.00</u>	
2013		<u>\$ 1,039,690,200.00</u>

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$ 26,466,143.83	\$ 26,447,831.01	99.93%
2014	25,815,844.87	25,763,164.62	99.79%
2013	25,978,682.39	25,701,955.57	98.93%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2015	\$ 31,451.25	\$ 31,701.21	\$ 63,152.46	0.24%
2014	28,611.72	27,304.15	55,915.87	0.22%
2013	25,888.64	19,373.10	45,261.74	0.17%

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note: 5: Water/Sewer Utility Service Charges

The following is a three-year comparison of water/sewer utility charges (rents) for the current and previous two years.

WATER/SEWER UTILITY

YEAR ENDED DECEMBER 31	BEGINNING RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2015	\$ 215,216.03	\$ 4,753,614.30	\$ 4,968,830.33	\$ 4,757,204.25	95.74%
2014	183,485.56	4,594,888.44	4,778,374.00	4,563,157.97	95.50%
2013	204,174.21	4,396,969.50	4,601,143.71	4,417,658.15	96.01%

Note: 6: 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, for the current and previous two years was as follows:

YEAR	AMOUNT
2015	\$ 27,600.00
2014	27,600.00
2013	35,600.00

Note 7. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2015 is as follows:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ -	\$ 201,394.61
Grant Fund	93,286.30	-
General Capital Fund	108,108.31	-
Water/Sewer Capital Fund	-	4,959.69
Water/Sewer Assessment Fund	4,959.69	-
	<u>\$ 206,354.30</u>	<u>\$ 206,354.30</u>

The purpose of these interfunds is short-term borrowing.

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 8. Deferred Charges to be Raised In Succeeding Years' Budgets

The following deferred charges are shown on the December 31, 2015 Balance Sheets and will be raised in succeeding years' budget:

	Balance 12/31/2015	2016 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Authorizations:			
Superstorm Sandy	\$ 40,000.00	\$ 20,000.00	\$ 20,000.00
Revaluation	60,000.00	15,000.00	45,000.00
Master Plan	55,000.00	11,000.00	44,000.00
	<u>\$ 155,000.00</u>	<u>\$ 46,000.00</u>	<u>\$ 109,000.00</u>
Grant Fund:			
Expenditure of Unappropriated Grant	\$ 102,019.00	\$ -	\$ 102,019.00
	<u>\$ 102,019.00</u>	<u>\$ -</u>	<u>\$ 102,019.00</u>

Note 9. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Balance</u>
<u>Current Fund</u>			
2015	\$ 2,820,247.32	\$ 180,000.00	6.38%
2014	2,222,865.99	200,000.00	9.00%
2013	1,435,993.51	-	0.00%
2012	807,652.92	-	0.00%
2011	302,615.55	-	0.00%
<u>Water/Sewer Fund</u>			
2015	1,651,692.10	190,654.00	11.54%
2014	1,539,810.09	202,000.00	13.12%
2013	1,393,368.71	202,000.00	14.50%
2012	1,246,817.93	52,000.00	4.17%
2011	484,576.10	52,000.00	10.73%

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 10. Pension Obligations (continued):

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

adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$189,647 for 2015.

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 Borough's proportionate share of the PERS net pension liability is valued to be \$4,758,293. 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 Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .02120%, which was a decrease of .00181% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 & December 31, 2014		
	12/31/2015	12/31/2014
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	4,758,293.00	4,307,099.00
Borough's Portion of the Plan's Total Net Pension Liability	0.02120%	0.02300%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$318,882.00.

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%
Inflation rate	Based on Age 3.04%

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 10. Pension Obligations (continued):

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

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

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 10. Pension Obligations (continued):

A. Public Employees’ Retirement System (PERS) (continued):

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.

Sensitivity of the Borough’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough’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>
	<u>(3.90%)</u>	<u>(4.90%)</u>	<u>(5.90%)</u>
Borough's proportionate share of the net pension liability	\$ 5,913,975.00	\$ 4,758,293.00	\$ 3,789,376.73

Pension Plan Fiduciary Net Position

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

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

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

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 10. Pension Obligations (continued):

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

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.

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. Borough contributions to PFRS amounted to \$483,611.00 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.

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 10. Pension Obligations (continued):

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough’s proportionate share of the PFRS net pension liability is valued to be \$10,879,683. 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 Borough’s proportion of the net pension liability was based on the Borough’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2015. The Borough’s proportion measured as of June 30, 2015, was .06532%, which was an increase of .00235% from its proportion measured as of June 30, 2014.

<u>Collective Balances at December 31, 2015 & December 31, 2014</u>		
	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	10,879,683.00	7,920,353.00
Borough's Portion of the Plan's Total Net Pension Liability	0.06532%	0.06296%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$813,892.

Additionally, the State’s proportionate share of the net pension liability attributable to the Borough is \$945,112.00 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 Borough was based on a projection of the Borough’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 .06532%, which was an increase of .00235% from its proportion measured as of June 30, 2014, which is the same proportion as the Borough’s.

Borough's Proportionate Share of the Net Pension Liability	\$ 10,879,683.00
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>954,112.00</u>
Total Net Pension Liability	<u><u>\$ 11,833,795.00</u></u>

For the year ended December 31, 2015, the Borough’s total allocated pension expense was \$932,904.00.

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:

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
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>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:

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
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 US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

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

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough'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:

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
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%)

Borough's proportionate share of the			
Net Pension Liability and the State's			
Proportionate Share of the Net Pension			
Liability associated with the Borough	\$ 15,600,699.00	\$ 11,833,795.00	\$ 8,762,221.00

Pension Plan Fiduciary Net Position

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

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

Note 11. Post-Employment Retirement Benefits

The Borough contributes to the State Health Benefits Program (“SHBP”), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. On February 24, 1981, the Borough authorized participation in the SHBP’s post-retirement benefit program through resolution number 78-2-24-81. Eligibility to participate in the SHBP’s post-retirement benefit program begins after 25 years of credited service with the Borough. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly-available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

Funding Policy

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

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 11. Post-Employment Retirement Benefits (continued)

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. Plan members or beneficiaries receiving benefits do not make any contributions.

Note 12. Capital Debt

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Issued			
General Bonds, Loans and Notes	\$ 12,119,499.90	\$ 12,256,546.55	\$ 12,508,117.29
Sewer Utility Bonds, Loans and Notes	12,319,839.47	13,210,465.12	12,618,106.36
Total Debt Issued	<u>24,439,339.37</u>	<u>25,467,011.67</u>	<u>25,126,223.65</u>
Authorized But Not Issued:			
General Bonds and Notes	2,799,469.01	1,334,219.01	2,094,219.01
Sewer Utility Bonds and Notes	739,776.00	1,187,860.00	1,637,860.00
Total Authorized But Not Issued	<u>3,539,245.01</u>	<u>2,522,079.01</u>	<u>3,732,079.01</u>
Total Gross Debt	<u>\$ 27,978,584.38</u>	<u>\$ 27,989,090.68</u>	<u>\$ 28,858,302.66</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 1.570%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$ 5,818,523.36	\$ 5,818,523.36	
General Debt	14,918,968.92		14,918,968.92
Water/Sewer Utility Debt	<u>13,059,615.47</u>	<u>13,059,615.47</u>	
	<u>\$ 33,797,107.75</u>	<u>\$ 19,326,222.83</u>	<u>\$ 14,918,968.92</u>

Net Debt \$14,918,968.92 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$950,531,421.67 is 1.570%.

Borrowing Power Under N.J.S. 40A:2-6 as Amended

3.5% of Equalized Valuation Basis (Municipal)	\$ 33,268,599.76
Less: Net Debt	<u>14,918,968.92</u>
Remaining Borrowing Power	<u>\$ 18,349,630.84</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 12. Capital Debt (continued):

Calculation of Self-Liquidating Purpose - Water/Sewer Utility Fund per NJS 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 5,020,998.59
Deductions:		
Operating, Maintenance Costs and Statutory Expenditures	\$ 3,473,412.00	
Debt Service per Water/Sewer Account	<u>1,250,215.53</u>	
Total Deductions		<u>4,723,627.53</u>
Excess In Revenues		<u>\$ 297,371.06</u>

A. Bonds Payable

The Borough's serial bonds outstanding consisted of the following at December 31, 2015:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2015</u>
<u>General Bonds</u>				
Refunding Bonds	04/12/07	\$ 3,920,425.00	Various	\$ 1,180,709.00
General Improvement	01/21/11	5,275,000.00	Various	4,455,000.00
Refunding Bonds	05/22/12	1,805,000.00	4.000%	<u>1,710,000.00</u>
				<u>\$ 7,345,709.00</u>
<u>Water/Sewer Utility Bonds</u>				
Refunding Bonds	04/12/07	\$ 454,575.00	Various	\$ 255,291.00
Water/Sewer Improvements	01/21/11	3,920,000.00	Various	3,360,000.00
Refunding Bonds	05/22/12	1,830,000.00	Various	<u>1,640,000.00</u>
				<u>\$ 5,255,291.00</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 12. Capital Debt (continued)

A. Bonds Payable (continued):

Debt Service requirements for bonded debt during the next several years are as follows:

General Capital Fund:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,068,691.00	\$ 340,814.43	\$ 1,409,505.43
2017	804,922.00	293,536.14	1,098,458.14
2018	837,681.00	257,240.04	1,094,921.04
2019	870,440.00	219,331.00	1,089,771.00
2020	443,975.00	180,009.00	623,984.00
2021-2025	1,455,000.00	655,125.00	2,110,125.00
2026-2030	1,865,000.00	242,375.00	2,107,375.00
	<u>\$ 7,345,709.00</u>	<u>\$ 2,188,430.61</u>	<u>\$ 9,534,139.61</u>

Water/Sewer Capital Fund:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 380,309.00	\$ 245,798.07	\$ 626,107.07
2017	389,078.00	230,188.86	619,266.86
2018	391,319.00	212,509.96	603,828.96
2019	403,560.00	194,544.00	598,104.00
2020	416,025.00	175,966.00	591,991.00
2021-2025	1,705,000.00	608,450.00	2,313,450.00
2026-2030	1,290,000.00	237,000.00	1,527,000.00
2031	280,000.00	70,000.00	350,000.00
	<u>\$ 5,255,291.00</u>	<u>\$ 1,974,456.89</u>	<u>\$ 7,229,747.89</u>

B. Loans Payable

On June 27, 2002, the Borough entered into a low-interest rate loan funded by the State of New Jersey Green Trust Loan Program in the sum of \$295,000.00. The interest rate is 2.00% and the loan matures on January 15, 2022. The proceeds have been used to help with the Lakefront Recreation Area.

On October 15, 2001, the Borough entered into loan agreements funded by the New Jersey Infrastructure Trust in the amount of \$2,800,000.00 for water/sewer system improvements. \$1,400,000.00 was funded by a trust loan with interest rates ranging from 4.00% to 5.00%. The remaining \$1,400,000.00 was funded by a fund loan with 0.00% interest.

Debt Service requirements for loans issued and outstanding during the next several years are as follows:

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 12. Capital Debt (continued)

B. Loans Payable (continued):

General Capital Fund - Green Trust Loans

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 16,198.81	\$ 2,145.23	\$ 18,344.04
2017	16,524.41	1,819.63	18,344.04
2018	16,856.55	1,487.49	18,344.04
2019	17,195.37	1,148.67	18,344.04
2020	17,540.99	803.05	18,344.04
2021-2022	26,974.77	541.29	27,516.06
	<u>\$ 111,290.90</u>	<u>\$ 7,945.36</u>	<u>\$ 119,236.26</u>

Water/Sewer Utility Capital Fund – NJEIT Loan

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 477,260.20	\$ 97,224.30	\$ 574,484.50
2017	479,528.84	83,749.00	563,277.84
2018	485,080.54	75,584.67	560,665.21
2019	495,507.35	67,132.28	562,639.63
2020	500,802.25	59,250.70	560,052.95
2020-2024	1,896,186.28	199,513.14	2,095,699.42
2025-2029	1,811,942.40	96,131.36	1,908,073.76
2030-2033	468,240.61	11,941.66	480,182.27
	<u>\$ 6,614,548.47</u>	<u>\$ 690,527.11</u>	<u>\$ 7,305,075.58</u>

C. Bond Anticipation Notes Payable

The Borough issues bond anticipation notes to temporarily fund various 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 ten years. 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 an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 12. Capital Debt (continued)

C. Bond Anticipation Notes Payable (continued):

On December 31, 2015, the Borough had the following outstanding bond anticipation notes:

<u>Improvement Description</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>December 31, 2015</u>
General Capital Fund:			
Various Equipment	07/27/16	1.000%	\$ 717,500.00
Various Road Improvements	07/27/16	1.000%	2,185,000.00
Various Road Improvements	07/27/16	1.000%	475,000.00
Community Center	07/27/16	1.000%	285,000.00
Various Road Improvements	07/27/16	1.000%	<u>1,000,000.00</u>
			<u>\$4,662,500.00</u>
Water/Sewer Fund:			
Various Water/Sewer Improvements	07/27/16	1.000%	\$ 50,000.00
Replacement of Water Mains	07/27/16	1.000%	<u>400,000.00</u>
			<u>\$ 450,000.00</u>

D. Capital Lease Obligations

The Borough participates in the Monmouth County Improvement Authority (“Authority”) Capital Equipment Lease Program (“Program”). Under the Program, the Borough purchases equipment with the proceeds of an Authority bond issue and then pays the Authority in the form of lease payments.

Debt Service requirements for Capital Lease obligations during the next several years are as follows:

General Capital Fund			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 167,800.00	\$ 41,610.55	\$ 209,410.55
2017	175,200.00	37,450.00	212,650.00
2018	155,000.00	29,550.00	184,550.00
2019	133,000.00	21,800.00	154,800.00
2020	135,000.00	15,490.00	150,490.00
2021-2025	<u>216,000.00</u>	<u>23,860.00</u>	<u>239,860.00</u>
	<u>\$ 982,000.00</u>	<u>\$ 169,760.55</u>	<u>\$ 1,151,760.55</u>

E. Bonds and Notes Authorized But Not Issued

At December 31, 2015, the Borough had authorized but not issued bonds and notes of the General Capital Fund totaling \$2,799,469.01, and of the Water/Sewer Utility Fund totaling \$739,776.00.

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 12. Capital Debt (continued)

F. Summary of Changes in Capital Debt

During the fiscal year ended December 31, 2015 the following changes occurred in capital debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
General Capital Fund:					
General Serial Bonds	\$ 8,376,876.00	\$ -	\$ (1,031,167.00)	\$ 7,345,709.00	\$ 1,068,691.00
Bond Anticipation Notes	3,752,500.00	4,662,500.00	(3,752,500.00)	4,662,500.00	4,662,500.00
Green Trust Loans Payable	127,170.55	-	(15,879.65)	111,290.90	16,198.80
Capital Leases Payable	522,200.00	569,000.00	(109,200.00)	982,000.00	167,800.00
Authorized but not Issued	1,334,219.01	2,465,250.00	(1,000,000.00)	2,799,469.01	-
Total General Capital	\$ 14,112,965.56	\$ 7,696,750.00	\$ (5,908,746.65)	\$ 15,900,968.91	\$ 5,915,189.80
Water/Sewer Utility Capital Fund					
General Serial Bonds	\$ 5,686,124.00	\$ -	\$ (430,833.00)	\$ 5,255,291.00	\$ 380,309.00
Bond Anticipation Notes	450,000.00	450,000.00	(450,000.00)	450,000.00	450,000.00
NJEIT Loans Payable	7,074,341.12	-	(459,792.65)	6,614,548.47	477,260.20
Authorized but not Issued	1,187,860.00	445,000.00	(893,084.00)	\$ 739,776.00	-
Total Water/Sewer Utility Capital	\$ 14,398,325.12	\$ 895,000.00	\$ (2,233,709.65)	\$ 13,059,615.47	\$ 1,307,569.20

Note 13. Special Emergency Notes

The Borough had a Special Emergency Note outstanding in the Current Fund at December 31, 2015 in the amount of \$40,000.00. The notes bear an interest rate of 0.00% and mature on 12/31/2016. The notes were authorized on 12/31/12 for the purpose of extraordinary expenses resulting from damage caused by Superstorm Sandy.

Note 14. Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. Effective for financial statements dated December 31, 1987, the State has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end.

The Borough has permitted employees to accrue unused vacation and sick leave, which may be taken off or paid at a later date with the exception of vacation leave. The Borough estimated the current cost of such unpaid compensation as of December 31, 2015 to be approximately \$310,454.06. The amount is not reported either as an expenditure or liability.

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 15. New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 20,643.45	\$ 10,353.49	\$ 22,963.18
2014	20,211.79	21,546.50	12,673.22
2013	20,831.40	14,801.21	14,007.93

Note 16. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Borough is a member of the Middlesex County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property, general liability, auto liability, public official liability, law enforcement liability and workman's compensation.

Note 17. Deferred Compensation Salary Account

The Borough has instituted a Deferred Compensation Plan (“Plan”) pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

Note 18. Litigation

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued):
YEAR ENDED DECEMBER 31, 2015**

Note 19. Accounts Receivable

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes, utility rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	General Capital Fund	Water/Sewer Operating Fund	Water/Sewer Capital	Total
State Aid	\$ 1,250.00	\$ 767.52	\$ 474,101.80	\$ -	\$ -	\$ 476,119.32
Utility Rents	-	-	-	211,626.08	-	211,626.08
NJEIT Loans	-	-	-	-	220,770.00	220,770.00
Taxes	90,752.46	-	-	-	-	90,752.46
Other	1,374.50	-	50,723.98	-	-	52,098.48
Total	\$ 93,376.96	\$ 767.52	\$ 524,825.78	\$ 211,626.08	\$ 220,770.00	\$ 1,051,366.34

Note 20. Prior Period Adjustment

Correction of an Error – For the year ended December 31, 2015, the Borough determined that the NJEIT Loan Receivable balance recorded in the prior period was not accurate. The NJEIT Loan Receivable to be \$893,084.00 less than it should have been. This caused the Borough's prior year NJEIT Loan Receivable was recorded at \$684,166.00 to be understated by \$893,084.00 less than the correct balance of \$1,577,250.00 as of December 31, 2015, resulting in an understatement of Reserve for Amortization. The Borough has corrected this by restating the balances for the fiscal year ended June 30, 2014 as follows:

	Original Balance	Net Adjustment	Restated Balance
NJEIT Loans Receivable	\$ 684,166.00	\$ 893,084.00	\$ 1,577,250.00
Reserve for Amortization	\$ 14,053,178.61	\$ 893,084.00	\$ 14,946,262.61

Note 21. Subsequent Events

As discussed in Note 1, the Borough has evaluated subsequent events through July 14, 2016 the date the financial statements were available to be issued.

On June 28, 2016 the Borough of Matawan issued a refunding bond for the 2011 General Obligation Bonds for in the amount not to exceed \$6,900,000.

On July 13, 2016 the Borough of Matawan issued Bond Anticipation Notes to fund cash deficits in ordinance 85-23.

SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 3,295,200.91
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 112,577.60	
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	54,000.00	
Taxes Receivable	26,338,060.00	
Tax Title Liens Redeemed	2,743.02	
Revenue Accounts Receivable	2,682,003.79	
Prepaid Taxes	115,441.91	
Due To State of New Jersey	1,653.00	
Various Reserves	8,398.35	
Reserve for Unappropriated Grants	<u>32,641.81</u>	
		<u>29,347,519.48</u>
		32,642,720.39
Decreased By Disbursements:		
Budget Appropriations	9,774,604.50	
2014 Appropriation Reserves	330,654.52	
County Taxes	2,676,810.30	
Regional School Taxes Payable	15,664,821.82	
Accounts Payable	6,975.46	
Tax Overpayments	56,783.13	
Due To State of New Jersey	980.00	
Various Reserves	86,842.74	
Special Emergency Note Payable	20,000.00	
Other Refunds	18,685.70	
Reserve for Appropriated Grants	<u>35,357.49</u>	
		<u>28,672,515.66</u>
Balance, December 31, 2015		<u><u>\$ 3,970,204.73</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 150.00

**BOROUGH OF MATAWAN
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
 SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 1,250.00
Increased By:		
Senior Citizens' Deductions Per Billing	\$ 9,500.00	
Veterans' Deductions Per Tax Billing	<u>46,750.00</u>	
		<u>56,250.00</u>
		57,500.00
Decreased By:		
Cash Receipts	54,000.00	
Senior Citizens Deductions Disallowed by Collector - 2014	1,000.00	
Senior Citizens Deductions Disallowed by Collector - 2015	<u>1,250.00</u>	
		<u>56,250.00</u>
Balance, December 31, 2015		<u><u>\$ 1,250.00</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Year	Balance December 31, 2014	2015 Levy	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transfer to Liens	Cancelled	Balance December 31, 2015
			2014	2015				
2011	\$ 4,780.66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,780.66
2012	6,256.93	-	-	-	-	-	-	6,256.93
2013	6,338.16	-	-	-	-	-	-	6,338.16
2014	9,928.40	-	-	4,090.65	(1,000.00)	-	-	6,837.75
2015	-	26,466,143.83	105,108.63	26,287,722.38	55,000.00	5,582.55	5,242.56	7,487.71
	<u>\$ 27,304.15</u>	<u>\$ 26,466,143.83</u>	<u>\$ 105,108.63</u>	<u>\$ 26,291,813.03</u>	<u>\$ 54,000.00</u>	<u>\$ 5,582.55</u>	<u>\$ 5,242.56</u>	<u>\$ 31,701.21</u>

Cash Receipts	\$ 26,317,878.00
Overpayments Created	<u>(26,064.97)</u>
	<u>\$ 26,291,813.03</u>

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax	\$ 26,412,500.10
Added and Omitted Taxes	<u>53,643.73</u>
	<u>\$ 26,466,143.83</u>

Tax Levy:

Local District School Tax	\$ 15,664,822.00
County Tax	\$ 2,486,696.16
County Health	49,212.72
County Open Space Fund Tax	137,066.90
Due County for Added Taxes	<u>5,391.72</u>
	2,678,367.50
Local Taxes for Municipal Purposes	8,073,118.69
Add: Additional Tax Levied	<u>49,835.64</u>
	<u>8,122,954.33</u>
	<u>\$ 26,466,143.83</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 28,611.72
Increased By:	
Transfers From Taxes Receivable	<u>5,582.55</u>
	34,194.27
Decreased By:	
Liens Redeemed	<u>2,743.02</u>
Balance, December 31, 2015	<u><u>\$ 31,451.25</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 27,600.00

**BOROUGH OF MATAWAN
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Accrued in <u>2015</u>	<u>Collections</u>	Balance December 31, <u>2015</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 22,515.57	\$ 22,515.57	\$ -
Other	-	12,190.00	12,190.00	-
Fees and Permits	-	26,727.13	26,727.13	-
Fines and Costs - Municipal Court	1,374.50	108,823.16	109,465.66	732.00
Interest and Costs on Taxes	-	58,442.38	58,442.38	-
PILOT - Senior Citizens Housing Complex	-	87,250.00	87,250.00	-
Cable Television Fees	-	145,736.60	145,736.60	-
Railroad Parking Lot Fees and Permits	-	250,000.00	250,000.00	-
Rental of Matawan Municipal Community Center	-	65,267.00	65,267.00	-
Cell Tower Rentals	-	73,525.10	73,525.10	-
2% Administrative Payment - Seniors & Vet's Deduction	-	1,080.00	1,080.00	-
Energy Receipts Tax	-	1,451,158.00	1,451,158.00	-
Uniform Construction Code Fees	-	269,276.00	269,276.00	-
Uniform Fire Safety Act	-	59,370.35	59,370.35	-
Reserve for FEMA - Superstorm Sandy	-	20,000.00	20,000.00	-
Due From:				
Off Duty Police Trust Fund Reserve	-	30,000.00	30,000.00	-
	<u>\$ 1,374.50</u>	<u>\$ 2,681,361.29</u>	<u>\$ 2,682,003.79</u>	<u>\$ 732.00</u>

Cash Receipts	\$ 2,662,003.79
Various Reserves	<u>20,000.00</u>
	<u>\$ 2,682,003.79</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-54
SPECIAL EMERGENCY AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Year</u>	<u>Description</u>	<u>Amount</u>	Balance December 31, <u>2014</u>	<u>Authorized</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
2012	Superstorm Sandy	\$ 100,000.00	\$ 60,000.00	\$ -	\$ 20,000.00	\$ 40,000.00
2014	Property Assessment	75,000.00	75,000.00	-	15,000.00	60,000.00
2015	Master Plan	55,000.00	-	55,000.00	-	55,000.00
			<u>\$ 135,000.00</u>	<u>\$ 55,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 155,000.00</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modifications</u>	<u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ -	\$ 175.04	\$ 4,000.04	\$ 3,999.97	\$ 0.07
Other Expenses	1,500.00	1,490.56	1,990.56	829.75	1,160.81
Mayor and Council:					
Salaries and Wages	-	2,291.69	476.69	474.87	1.82
Other Expenses	-	1,607.25	257.25	39.04	218.21
Municipal Clerk:					
Salaries and Wages	-	95.64	1,330.64	1,327.69	2.95
Other Expenses	1,905.00	6,160.70	6,445.70	2,919.42	3,526.28
Financial Administration (Treasury):					
Salaries and Wages	-	2,627.27	3,562.27	3,557.79	4.48
Other Expenses	-	3,633.43	2,698.43	776.45	1,921.98
Tax Collection:					
Salaries and Wages	-	1.62	946.62	943.92	2.70
Other Expenses	-	3,203.66	6,303.66	6,209.40	94.26
Tax Assessment Administration:					
Salaries and Wages	-	1,721.89	776.89	296.56	480.33
Other Expenses	-	983.98	983.98	38.01	945.97
Legal Services:					
Other Expenses	21,976.83	21,354.72	40,331.55	20,280.78	20,050.77
Engineering Services:					
Other Expenses	23,638.32	14,848.56	37,661.88	22,354.87	15,307.01
Downtown Redevelopment:					
Other Expenses	2,338.75	500.00	2,838.75	2,338.75	500.00
Historical Sites Office:					
Salaries and Wages	-	100.00	100.00	-	100.00
Other Expenses	9,877.44	-	9,877.44	-	9,877.44
Land Use Administration:					
Salaries and Wages	-	488.50	488.50	-	488.50
Other Expenses	1,650.00	2,082.34	3,732.34	3,252.72	479.62
INSURANCE					
General Liability	-	1,497.53	1,497.53	-	1,497.53
Workmen's Compensation	-	8,851.14	8,851.14	-	8,851.14
Employee Group Health	-	2,082.09	2,082.09	1,033.60	1,048.49
PUBLIC SAFETY					
Municipal Court:					
Other Expenses	-	0.27	0.27	-	0.27
Police Department:					
Salaries and Wages	-	29,802.65	39,802.65	39,622.50	180.15
Other Expenses	16,082.01	30,901.96	36,983.97	18,337.91	18,646.06
Office of Emergency Management:					
Other Expenses	3,637.99	9,005.83	12,643.82	5,366.13	7,277.69
Fire:					
Other Expenses	15,518.88	1,264.18	20,111.06	19,345.76	765.30
Aid to Volunteer Fire Department:	-	3,328.00	-	-	-

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modifications</u>	<u>Charged</u>	<u>Lapsed</u>
Uniform Fire Safety:					
Salaries and Wages	-	3,537.58	3,537.58	224.54	3,313.04
Other Expenses	-	1,043.90	1,043.90	-	1,043.90
PUBLIC WORKS					
Railroad Parking:					
Salaries and Wages	-	1,554.93	1,554.93	727.56	827.37
Other Expenses	10,405.38	5,360.65	15,766.03	11,450.38	4,315.65
Streets and Road Maintenance:					
Salaries and Wages	-	9,659.08	20,334.08	20,330.70	3.38
Other Expenses	6,910.87	13,145.98	33,056.85	26,088.84	6,968.01
Shade Tree Commission:					
Salaries and Wages	-	800.00	800.00	-	800.00
Other Expenses	-	4,005.91	5.91	-	5.91
Solid Waste Collection:					
Salaries and Wages	-	124.95	124.95	-	124.95
Other Expenses	26,351.74	9,865.48	32,542.22	26,557.93	5,984.29
Buildings and Grounds:					
Salaries and Wages	142.00	-	2,892.00	2,844.83	47.17
Other Expenses	4,766.60	13,135.75	19,378.35	18,663.34	715.01
Vehicle Maintenance:					
Other Expenses	1,028.61	3,203.22	4,231.83	2,761.89	1,469.94
HEALTH AND HUMAN SERVICES					
Board of Health:					
Salaries and Wages	-	810.87	810.87	-	810.87
Other Expenses	394.00	2,305.80	2,699.80	-	2,699.80
Environmental Health Services					
Other Expenses	-	100.00	100.00	-	100.00
Welfare/Administration of Public Assistance:					
Other Expenses	-	50.00	50.00	-	50.00
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	-	56.24	56.24	-	56.24
Other Expenses	-	244.72	244.72	9.63	235.09
STATE UNIFORM CONSTRUCTION CODE OFFICIALS					
Construction Code Official:					
Salaries and Wages	-	462.22	462.22	122.22	340.00
Other Expenses	-	4,622.66	1,522.66	246.65	1,276.01
Division of Property Maintenance:					
Salaries and Wages	-	2,388.05	388.05	-	388.05
Other Expenses	-	865.00	189.00	-	189.00
OTHER COMMON OPERATING FUNCTIONS					
Accumulated Sick Leave	-	29,000.00	23,000.00	19,000.00	4,000.00

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modifications</u>	<u>Charged</u>	<u>Lapsed</u>
UTILITY EXPENSE AND BULK PURCHASES					
Utilities	1,879.69	13,635.66	16,515.35	15,072.29	1,443.06
Street Lighting	-	20,081.37	12,081.37	10,454.70	1,626.67
Contingent	-	1,000.00	1,000.00	-	1,000.00
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	-	5,825.13	5,825.13	-	5,825.13
Social Security System (O.A.S.I.)	-	16,551.65	16,551.65	-	16,551.65
Police and Firemen's Retirement System	-	15,025.03	15,025.03	4,756.80	10,268.23
OPERATIONS EXCLUDED FROM CAPS					
Length of Service Award Program	1,000.00	43,000.00	44,000.00	44,000.00	-
Reserve for Tax Appeals	-	37,000.00	37,000.00	-	37,000.00
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
HAM Program - Aberdeen Township	-	21,525.00	21,525.00	21,525.00	-
Total General Appropriations	<u>\$ 151,004.11</u>	<u>\$ 430,087.33</u>	<u>\$ 581,091.44</u>	<u>\$ 378,183.19</u>	<u>\$ 202,908.25</u>
Cash Disbursements				\$ 330,654.52	
Accounts Payable				<u>47,528.67</u>	
				<u>\$ 378,183.19</u>	

**BOROUGH OF MATAWAN
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF PREPAID TAXES
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 105,108.63
Increased By:	
Cash Receipts	<u>115,441.91</u>
	220,550.54
Decreased By:	
Applied To Taxes Receivable	<u>105,108.63</u>
Balance, December 31, 2015	<u><u>\$ 115,441.91</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 3,834.52
Increased By:		
2015 Tax Levy		
County Tax	\$ 2,486,696.16	
County Health Budget	49,212.72	
County Open Space Fund Tax	137,066.90	
Due County for Added Taxes	<u>5,391.72</u>	
		<u>2,678,367.50</u>
		2,682,202.02
Decreased By:		
Cash Disbursements		<u>2,676,810.30</u>
Balance, December 31, 2015		<u><u>\$ 5,391.72</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		
School Tax Payable	\$	10.00
Increased By:		
Levy (School Year July 1, 2015 to June 30, 2016)		15,664,822.00
		15,664,832.00
Decreased By:		
Cash Disbursements		15,664,821.82
Balance, December 31, 2015		
School Tax Payable	\$	10.18
 <u>2015 Liability for Regional District School Tax</u>		
Tax Payable, December 31, 2015	\$	10.18
Tax Paid		15,664,821.82
		15,664,832.00
Less:		
Tax Payable, December 31, 2014		10.00
Amount Charged To 2015 Operations	\$	15,664,822.00

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 100,226.09
Increased By:	
Charged To 2014 Appropriation Reserves	<u>47,528.67</u>
	147,754.76
Decreased By:	
Cash Disbursements	<u>6,975.46</u>
Balance, December 31, 2015	<u><u>\$ 140,779.30</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 35,680.44
Increased By:	
Overpayments Created	<u>26,064.97</u>
	61,745.41
Decreased By:	
Cash Disbursements	<u>56,783.13</u>
Balance, December 31, 2015	<u><u>\$ 4,962.28</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 88,108.31
Increased By:	
Special Emergency Note Paydown	<u>20,000.00</u>
Balance, December 31, 2015	<u><u>\$ 108,108.31</u></u>

**BOROUGH OF MATAWAN
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF DUE TO STATE OF NEW JERSEY
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
Marriage License Fees	\$ 250.00	\$ 1,653.00	\$ 980.00	\$ 923.00

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance, December 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2015</u>
Reserve for:				
Master Plan	\$ 57.62	\$ 55,000.00	\$ 51,441.06	\$ 3,616.56
Library State Aid	3,829.00	1,926.00	5,755.00	-
Debris Clean Up	12,804.05	-	-	12,804.05
Damage Claims	46,732.84	6,472.35	2,676.76	50,528.43
Property Reassessment	75,000.00	-	26,969.92	48,030.08
	<u>\$ 138,423.51</u>	<u>\$ 63,398.35</u>	<u>\$ 86,842.74</u>	<u>\$ 114,979.12</u>
Cash Receipts		\$ 8,398.35	\$ -	
Special Emergency		55,000.00	-	
Cash Disbursements		-	86,842.74	
		<u>\$ 63,398.35</u>	<u>\$ 86,842.74</u>	

BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Resolution</u> <u>Date</u>	<u>Description</u>	<u>Date of</u> <u>Issue of</u> <u>Original</u> <u>Note</u>	<u>Date of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>December 31,</u> <u>2014</u>	<u>Balance</u> <u>December 31,</u> <u>2015</u>
					<u>Increase</u>	<u>Decrease</u>
12/18/12	Extraordinary Expenses Resulting from Hurricane Sandy Debris Clean Up	12/31/14	12/31/16	0.00%	\$ 60,000.00	\$ 40,000.00
					\$ 20,000.00	\$ 20,000.00

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Increased By Revenue Anticipated <u>2015</u>	Transferred From Grants <u>Unappropriated</u>	Balance December 31, <u>2015</u>
<u>Local:</u>				
Bayshore DWO Saturation Patrol	\$ 666.64	\$ -	\$ -	\$ 666.64
<u>State:</u>				
CDBG - Street Improvements & ADA Curb				
Cut and Drainage	100.88	-	-	100.88
Historical Site	-	11,981.00	11,981.00	-
Clean Communities Program	-	14,457.87	14,457.87	-
Drunk Driving Enforcement	-	2,271.38	2,271.38	-
Recycling Tonnage Grant	-	10,819.05	10,819.05	-
Alcohol Education and Rehabilitation Fund	-	177.24	177.24	-
	<hr/>			
	\$ 767.52	\$ 39,706.54	\$ 39,706.54	\$ 767.52
	<hr/>			

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 96,001.98
Increased By:		
Deposited in Current Fund:		
Grants Unappropriated	\$ 32,641.81	
2015 Budget Appropriations	<u>39,706.54</u>	
		<u>72,348.35</u>
		168,350.33
Decreased By:		
Disbursed by Current Fund:		
Appropriated Reserves	35,357.49	
2015 Anticipated Revenue	<u>39,706.54</u>	
		<u>75,064.03</u>
Balance, December 31, 2015		<u><u>\$ 93,286.30</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Year</u>	<u>Description</u>	<u>Amount</u>	Balance December 31, <u>2014</u>	Cash <u>Disbursement</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
2014	Expenditure of Unappropriated Grant - CDBG Grant	\$102,019.00	\$ 102,019.00	\$ -	\$ -	\$ 102,019.00
			<u>\$ 102,019.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,019.00</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	2015 <u>Appropriated</u>	Transferred From <u>Encumbrances</u>	<u>Expended</u>	Balance December 31, <u>2015</u>
Local:					
Monmouth County Environmental Health Act	\$ 1,750.00	\$ -	\$ -	\$ -	\$ 1,750.00
Municipal Drug Alliance	838.00	-	-	-	838.00
Police OEM Grant	2,405.72	-	-	-	2,405.72
Cablevision Grant	550.34	-	-	-	550.34
State:					
NJ DCA Share Grant	10,334.48	-	-	-	10,334.48
Historical Sites	-	11,981.00	-	5,190.00	6,791.00
Stormwater Management Program	4,234.00	-	-	-	4,234.00
DDEF	732.45	2,271.38	-	-	3,003.83
Clean Communities Program	35,388.82	14,457.87	1,090.00	15,762.57	35,174.12
Recycling Tonnage Grant	4,024.05	10,819.05	7,485.00	14,404.92	7,923.18
Alcohol Education and Rehabilitation Fund	211.10	177.24	-	-	388.34
	<u>\$ 60,468.96</u>	<u>\$ 39,706.54</u>	<u>\$ 8,575.00</u>	<u>\$ 35,357.49</u>	<u>\$ 73,393.01</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Cash <u>Receipts</u>	Transferred to Grants <u>Receivable</u>	Balance December 31, <u>2015</u>
<u>County of Monmouth:</u>				
CDBG Grant	\$ 102,019.00	\$ -	\$ -	\$ 102,019.00
<u>State:</u>				
Alcohol Education and Rehabilitation Fund	177.24	884.00	177.24	884.00
Body Armor Replacement Grant	-	2,268.08	-	2,268.08
Clean Communities Program	14,457.87	17,508.73	14,457.87	17,508.73
Recycling Tonnage Grant	10,819.05	-	10,819.05	-
Historical Grant	-	11,981.00	11,981.00	-
Drunk Driving Enforcement Fund	2,271.38	-	2,271.38	-
	<u>\$ 129,744.54</u>	<u>\$ 32,641.81</u>	<u>\$ 39,706.54</u>	<u>\$ 122,679.81</u>

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TRUST FUNDS

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**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Animal Control Fund	Law Enforcement Trust Fund	Recreation Trust Fund	Developer's Escrow Trust Fund	Unemployment Trust Fund	Railroad Parking Fund	Other Trust Funds
Balance, December 31, 2014	\$ 3,436.13	\$ 182.86	\$ 31,005.05	\$ 348,426.53	\$ 12,673.22	\$ 327,412.30	\$ 1,303,034.76
Increased By Receipts:							
Due To State of New Jersey Reserves:	408.00	-	-	-	-	-	-
Animal Control LETF	3,076.80	-	-	-	-	-	-
Recreation	-	12,340.66	-	-	-	-	-
Developer's Escrow	-	-	67,517.96	-	-	-	-
Unemployment	-	-	-	20,139.61	-	-	-
Railroad Parking	-	-	-	-	20,643.45	409,386.37	-
Various Reserves	-	-	-	-	-	-	1,116,619.78
	<u>3,484.80</u>	<u>12,340.66</u>	<u>67,517.96</u>	<u>20,139.61</u>	<u>20,643.45</u>	<u>409,386.37</u>	<u>1,116,619.78</u>
	6,920.93	12,523.52	98,523.01	368,566.14	33,316.67	736,798.67	2,419,654.54
Decreased By Disbursements:							
Due To: State of New Jersey Reserves:	441.20	-	-	-	-	-	-
Animal Control LETF	4,748.80	-	-	-	-	-	-
Recreation	-	150.00	-	-	-	-	-
Developer's Escrow	-	-	61,018.63	78,772.46	-	-	-
Unemployment	-	-	-	-	10,353.49	-	-
Railroad Parking	-	-	-	-	-	404,649.55	-
Various Reserves	-	-	-	-	-	-	1,077,052.55
	<u>5,190.00</u>	<u>150.00</u>	<u>61,018.63</u>	<u>78,772.46</u>	<u>10,353.49</u>	<u>404,649.55</u>	<u>1,077,052.55</u>
Balance, December 31, 2015	\$ 1,730.93	\$ 12,373.52	\$ 37,504.38	\$ 289,793.68	\$ 22,963.18	\$ 332,149.12	\$ 1,342,601.99

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO/(FROM) STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 23.40
Increased By:	
2015 License Fees	<u>408.00</u>
	431.40
Decreased By:	
Payments	<u>441.20</u>
Balance, December 31, 2015	<u><u>\$ (9.80)</u></u>

**BOROUGH OF MATAWAN
 COUNTY OF MONMOUTH, NEW JERSEY
 ANIMAL CONTROL TRUST FUND
 SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	3,412.73
Increased By:		
Fees Collected		3,076.80
		6,489.53
Decreased By:		
Expenditures Under R.S. 4:19-15:11		4,748.80
Balance, December 31, 2015	\$	1,740.73

License Fees Collected

2014	\$	3,188.20
2013		6,821.73
		\$ 10,009.93

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR LAW ENFORCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 182.86
Increased By:	
Cash Received	<u>12,340.66</u>
	12,523.52
Decreased By:	
Cash Disbursed	<u>150.00</u>
Balance, December 31, 2015	<u><u>\$ 12,373.52</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 31,005.05
Increased By:	
Cash Received	<u>67,517.96</u>
	98,523.01
Decreased By:	
Cash Disbursed	<u>61,018.63</u>
Balance, December 31, 2015	<u><u>\$ 37,504.38</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 348,426.53
Increased By:	
Cash Received	<u>20,139.61</u>
	368,566.14
Decreased By:	
Cash Disbursed	<u>78,772.46</u>
Balance, December 31, 2015	<u><u>\$ 289,793.68</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 12,673.22
Increased By:		
Budget Appropriation	\$ 15,000.00	
Other Contributions	<u>5,643.45</u>	
		<u>20,643.45</u>
		33,316.67
Decreased By:		
Cash Disbursed		<u>10,353.49</u>
Balance, December 31, 2015		<u><u>\$ 22,963.18</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR RAILROAD PARKING
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 80,932.30
Increased By:		
Cash Received	\$ 409,386.37	
Prepaid Railroad Permits Applied	<u>246,480.00</u>	
		<u>655,866.37</u>
		736,798.67
Decreased By:		
Cash Disbursed	404,649.55	
Prepaid Railroad Permits Realized	<u>243,540.00</u>	
		<u>648,189.55</u>
Balance, December 31, 2015		<u><u>\$ 88,609.12</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF VARIOUS TRUST FUND RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Increase</u>	<u>Decrease</u>	Balance December 31, <u>2015</u>
Fire Safety Penalty Monies	\$ 25,098.51	\$ 7,500.00	\$ 13,554.56	\$ 19,043.95
Tax Title Lien Redemptions Payable	56,329.34	505,734.17	475,254.14	86,809.37
Police Firearms Donations	12,742.49	-	10,000.00	2,742.49
Tax Title Lien Premiums	1,056,275.00	400,700.00	392,400.00	1,064,575.00
Off Duty Police	38,646.55	162,652.20	165,058.36	36,240.39
Public Defender	7,773.16	150.00	-	7,923.16
Developer Escrow	106,169.71	27,370.00	20,785.49	112,754.22
Recycling Program	-	12,513.41	-	12,513.41
	<u>\$1,303,034.76</u>	<u>\$1,116,619.78</u>	<u>\$1,077,052.55</u>	<u>\$1,342,601.99</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF PREPAID RAILROAD PERMITS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 246,480.00
Increased By:	
Cash Receipts	<u>243,540.00</u>
	490,020.00
Decreased By:	
2014 Prepaids Applied	<u>246,480.00</u>
Balance, December 31, 2015	<u><u>\$ 243,540.00</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (Reviewed)
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 423,274.91
Increased By:		
Appreciation on Investments		<u>2,513.57</u>
		425,788.48
Decreased By:		
Account Charges	\$ 1,900.00	
Withdrawals and Charges	<u>32,676.82</u>	<u>34,576.82</u>
Balance, December 31, 2015		<u><u>\$ 391,211.66</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (Reviewed)
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 423,274.91
Increased By:		
Appreciation on Investments		<u>2,513.57</u>
		425,788.48
Decreased By:		
Account Charges	\$ 1,900.00	
Withdrawals and Charges	<u>32,676.82</u>	<u>34,576.82</u>
Balance, December 31, 2015		<u><u>\$ 391,211.66</u></u>

GENERAL CAPITAL FUND

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**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 673,435.17
Increased By:		
Bond Anticipation Notes	\$ 4,662,500.00	
Capital Improvement Fund	145,000.00	
Paydown of BANs	90,000.00	
Due From:		
Grants Receivable	400,000.00	
Monmouth County Improvement Authority	<u>172,603.35</u>	
		<u>5,470,103.35</u>
		6,143,538.52
Decreased By:		
Bond Anticipation Notes	3,752,500.00	
Improvement Authorizations	503,987.98	
Due From:		
Water/Sewer Utility Capital Fund	633.01	
Monmouth County Improvement Authority	<u>201,031.61</u>	
		<u>4,458,152.60</u>
Balance, December 31, 2015		<u><u>\$ 1,685,385.92</u></u>

**BOROUGH OF MATAWAN
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2015</u>
Capital Improvement Fund	\$ 229,594.29
Fund Balance	27,970.79
Investment	(40,000.00)
Due From:	
Monmouth County Improvement Authority	(50,723.98)
Current Fund	(108,108.31)
Grants Receivable	(474,101.80)
Reserve for Encumbrances	283,249.30

<u>Ordinance Number</u>	<u>Improvement Description</u>	
85-23	Preliminary Planning Expenses and Improvements to Lake Lefferts and Lake Matawan Dams	(14,272.70)
94-10/96-8	Construction of Parking Lot - Main Street	600.00
95-22	Renovation of Clinton and Jackson Street Park	7,030.00
97-32/97-45	Lochslea Heights and Ivy Court Roadway Imp. and Edgemere Drive Drainage Improvements	799.55
98-25	Various Improvements to Burrowes Mansion	1,662.02
02-15/13-19	Community Center	264,953.32
03-12	Purchase of Various Equipment	459.03
04-21	Acquisition of a Dump Truck	3,764.30
04-23	Renovations to Matawan Aberdeen Library and Clinton Street Community Center	-
05-11/07-22	Multipark Development and Sidewalk Improvements	4,519.87
06-26/07/02	Various Capital Improvements	51,034.57
10-19	Various Road Improvements	12,206.04
12-08	Various Road Improvements	19.94
13-11/13-18	Various Equipment	101,002.90
15-07	Various Road Improvements	265,835.05
		1,117,891.74
		\$ 1,685,385.92

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 8,504,046.55
Decreased By:		
Serial Bonds Paid	\$ 1,031,167.00	
Green Trust Loan	<u>15,879.65</u>	
		<u>1,047,046.65</u>
Balance, December 31, 2015		<u><u>\$ 7,456,999.90</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance No.	Improvement Description	Balance	Changes		Balance	Analysis of Balance		
		December 31, 2014	Increased	Decreased	December 31, 2015	Bond Anticipation Notes	Expended	Unexpended Improvement Authorizations
85-23	Preliminary Planning Expenses and Improvements to Lake Lefferts and Lake Matawan Dams	\$ 684,219.01	\$ -	\$ -	\$ 684,219.01	\$ -	\$ 14,272.70	\$ 669,946.31
05-11/07-22	Multipark Development and Sidewalk Improvements	650,000.00	-	-	650,000.00	-	-	650,000.00
13-11/13-18	Various Road Improvements	2,660,000.00	-	-	2,660,000.00	2,660,000.00	-	-
12-08	Various Improvements	807,500.00	-	90,000.00	717,500.00	717,500.00	-	-
13-19	Community Center	285,000.00	-	-	285,000.00	285,000.00	-	-
15-07	Various Road Improvements	-	2,465,250.00	-	2,465,250.00	1,000,000.00	-	1,465,250.00
		\$ 5,086,719.01	\$ 2,465,250.00	\$ 90,000.00	\$ 7,461,969.01	\$ 4,662,500.00	\$ 14,272.70	\$ 2,785,196.31

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes - Issued:

12-08	\$ 4,416,987.58
13-11/13-18	101,002.90
13-19	265,835.05
15-07	264,953.32
	<u>1,000,000.00</u>
	<u>\$ 2,785,196.31</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2014</u>	<u>Balance, December 31, 2015</u>		
							<u>Increased</u>	<u>Decreased</u>	
12-08	Various Equipment	10/25/12	7/28/15	7/27/16	1.000%	\$ 807,500.00	\$ 717,500.00	\$ 807,500.00	
13-11	Various Road Improvements	10/10/13	7/28/15	7/27/16	1.000%	2,185,000.00	2,185,000.00	2,185,000.00	
13-11	Various Road Improvements	08/5/14	7/28/15	7/27/16	1.000%	475,000.00	475,000.00	475,000.00	
06-18/13-19/4-12	Community Center	10/8/14	7/28/15	7/27/16	1.000%	285,000.00	285,000.00	285,000.00	
15-07	Various Road Improvements	7/28/2015	7/28/15	7/27/16	1.000%	-	1,000,000.00	-	
							<u>\$ 3,752,500.00</u>	<u>\$ 4,662,500.00</u>	<u>\$ 4,662,500.00</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF GREEN TRUST LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 127,170.55
Decreased By:	
Paid by Budget Appropriation	<u>15,879.65</u>
Balance, December 31, 2015	<u><u>\$ 111,290.90</u></u>

**BOROUGH OF MATAWAN
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF CAPITAL LEASE OBLIGATIONS PAYABLE
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 522,200.00
Increased By:	
2015 MCIA Capital Equipment Lease	569,000.00
	1,091,200.00
Decreased By:	
Paid by Budget Appropriation	109,200.00
Balance, December 31, 2015	\$ 982,000.00

Analysis of Balance

2007 Capital Lease	\$ 61,000.00
2013 Capital Lease	352,000.00
2015 Capital Lease	569,000.00
	\$ 982,000.00

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2014		Increased	Transferred From Encumbrances	Expended	Transferred To Encumbrances	Balance December 31, 2015	
				Funded	Unfunded					Funded	Unfunded
85-23	Preliminary Planning Expenses and Improvements to Lake Lefferts and Lake Matawan Dams	08/19/86	\$ 1,500,000.00	\$ -	\$ 669,946.31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 669,946.31
94-10/96-8	Construction of Parking Lot - Main Street	06/08/94	83,835.00	600.00	-	-	-	-	-	600.00	-
95-22	Renovation of Clinton and Jackson Street Park		294,000.00	7,030.00	-	-	-	-	-	7,030.00	-
97-32/97-45/00-08	Lochslea Heights and Ivy Court Roadway Imp. and Edgemere Drive Drainage Improvements	09/12/97	196,000.00	799.55	-	-	-	-	-	799.55	-
98-25	Various Improvements to Burrowes Mansion	09/15/98	11,200.00	1,662.02	-	-	-	-	-	1,662.02	-
01-21/02-15/06-18/13-19	Community Center	09/19/01	1,800,000.00	-	283,589.75	-	12,314.26	25,547.31	5,403.38	-	264,953.32
03-12	Purchase of Various Equipment	07/01/03	104,000.00	459.03	-	-	-	-	-	459.03	-
04-21	Acquisition of a Dump Truck	11/03/04	120,000.00	3,764.30	-	-	-	-	-	3,764.30	-
04-23	Renovations to Matawan Aberdeen Library and Clinton Street Community Center	11/15/04	60,500.00	4,519.87	-	-	-	-	-	4,519.87	-
05-11/07-22	Multi-Park Development and Sidewalk Improvements	05/17/05	1,030,000.00	51,034.57	650,000.00	-	-	-	-	51,034.57	650,000.00
06-24/07-03/06-26/07/02	Various Capital Improvements	12/07/06	180,000.00	12,206.04	-	-	12,249.25	12,249.25	-	12,206.04	-
08-19	2008 Road Improvement Program	12/02/08	700,000.00	-	-	-	28,934.16	21,080.39	7,853.77	-	-
10-19	Various Road Improvements	12/09/10	3,250,000.00	19.94	-	-	5,797.06	-	5,797.06	19.94	-
12-08	Various Equipment	04/17/12	850,000.00	-	101,507.49	-	-	504.59	-	-	101,002.90
13-11/13-18	2013 Road Improvement Program	05/21/13	3,279,101.80	-	335,338.62	-	232,439.70	252,654.22	49,289.05	-	265,835.05
15-07	2015 Road Improvement Program	05/19/15	2,990,000.00	-	-	2,990,000.00	-	191,952.22	214,906.04	117,891.74	2,465,250.00
			\$ 82,095.32	\$ 2,040,382.17	\$ 2,990,000.00	\$ 291,734.43	\$ 505,987.98	\$ 283,249.30	\$ 199,987.06	\$ 4,416,987.58	

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 214,344.29
Increased By:	
2015 Budget Appropriation	<u>145,000.00</u>
	359,344.29
Decreased By:	
Improvement Authorizations	<u>129,750.00</u>
Balance, December 31, 2015	<u><u>\$ 229,594.29</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 88,108.31
Increased By:	
Special Emergency Note Paydown	<u>20,000.00</u>
Balance, December 31, 2015	<u><u>\$ 108,108.31</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM MONMOUTH COUNTY IMPROVEMENT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 22,295.72
Increased By:	
Cash Disbursements	<u>201,031.61</u>
	223,327.33
Decreased By:	
Cash Receipts - Reimbursements	<u>172,603.35</u>
Balance, December 31, 2015	<u><u>\$ 50,723.98</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 479,101.80
Increased By:	
NJ DOT Grant	<u>395,000.00</u>
	874,101.80
Decreased By:	
Cash Receipts	<u>400,000.00</u>
Balance, December 31, 2015	<u><u>\$ 474,101.80</u></u>
 <u>Analysis of Balance - December 31, 2015</u>	
FEMA	\$ 79,101.80
NJ DOT	<u>395,000.00</u>
	<u><u>\$ 474,101.80</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER, 2015**

Ordinance No.		Balance December 31, <u>2014</u>	2015 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	December 31, <u>2015</u>
85-23	Preliminary Planning Expenses and Improvements to Lake Lefferts and Lake Matawan Dams	\$ 684,219.01	\$ -	\$ -	\$ 684,219.01
05-11/07-22	Multipark Development	650,000.00	-	-	650,000.00
15-07	Various Road Improvements	-	2,465,250.00	1,000,000.00	1,465,250.00
		<u>\$ 1,334,219.01</u>	<u>2,465,250.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 2,799,469.01</u>

WATER/SEWER UTILITY FUND

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**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2014	\$ 1,814,348.49	\$ 66,735.42
Increased By Receipts:		
Rents	\$ 4,752,677.45	\$ -
Interfund Received	135,596.51	-
Miscellaneous Revenue	61,794.34	-
Capital Improvement Fund	-	100,000.00
NJEIT Loan	-	1,356,480.00
	<u>4,950,068.30</u>	<u>1,456,480.00</u>
	6,764,416.79	1,523,215.42
Decreased By Disbursements:		
2015 Appropriations	4,620,258.49	-
Overpayments	2,168.81	-
Improvement Authorizations	-	724,729.82
Interfunds Returned	-	135,596.51
Appropriation Reserves	<u>148,744.55</u>	<u>-</u>
	<u>4,771,171.85</u>	<u>860,326.33</u>
Balance, December 31, 2015	<u><u>\$ 1,993,244.94</u></u>	<u><u>\$ 662,889.09</u></u>

**BOROUGH OF MATAWAN
 COUNTY OF MONMOUTH, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF WATER/SEWER UTILITY CAPITAL CASH
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2015</u>
Interfunds Payable	\$ 4,959.69
Capital Improvement Fund	331,600.00
NJEIT Loans Receivable	(220,770.00)
Encumbrances Payable	178,732.09
Fund Balance	21,813.14
<u>Ordinance</u>	
<u>Number</u>	<u>Improvement Description</u>
95-39/02-05	Ten-Inch Water Main, Route 34 to Colonial Shops
	4,226.51
99-13/01-19/ 02-16	Reconstruction and Improvement of Sanitary Sewer System
	3,964.90
02-02/02-07	Reconstruction of Somerset Pl. Pump Station and Force Main and Reconstruction of Buttonwood Manor Pump Station
	3,269.45
02-18/07-27	Water Main and Sanitary Sewer Improvements
	2,075.57
08-24/13-10	Various Water/Sewer Utility Improvements
	1,685.19
09-07	Water Treatment Plant Improvements
	3,796.79
09-25	Water Treatment Plant Improvements
	235,130.74
10-18	Replacement of Water Mains
	31,317.54
13-12	Replacement of Water Mains
	107,507.18
15-06	Various Water/Sewer Utility Improvements
	<u>(46,419.70)</u>
	<u>\$ 662,889.09</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 215,216.03
Increased By:		
Water Sewer Rents Levied		<u>4,753,614.30</u>
		4,968,830.33
Decreased By:		
Collections	\$ 4,752,677.45	
Overpayments Applied	<u>4,526.80</u>	
		<u>4,757,204.25</u>
Balance, December 31, 2015		<u><u>\$ 211,626.08</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2015 & 2014</u>
Water System:	
1962 and Prior	\$ 312,594.83
Distribution Mains and Accessories	7,603,953.18
Pumping Station and Structures	269,315.26
Water Tanks	149,143.87
Spring Wells	166,422.81
Water Plant	2,443,963.46
Miscellaneous	298,496.71
Hydrants	99,766.05
Meters	32,823.00
Sewer System:	
Disposal Plant and Trunk Lines	108,582.53
Treatment Plant	480,841.92
Pumping Stations	1,806,365.77
Distribution	<u>4,650,090.21</u>
	<u><u>\$ 18,422,359.60</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Description</u>	Balance, December 31, <u>2014</u>	<u>Increased</u>	Balance, December 31, <u>2015</u>
95-39/02-05	Ten-Inch Water Main, Route 34 to Colonial Shops	\$ 11,365.52	\$ -	\$ 11,365.52
99-13/01-19/ 02-16	Reconstruction and Improvement of Sanitary Sewer System of Buttonwood Manor Pump Station	249,760.66	-	249,760.66
02-18/07-27	Water Main and Sanitary Sewer Improvement	219,030.22	-	219,030.22
05-20/07-26	Replace Water Mains on Matawan Avenue and Daniel Drive	555,197.46	-	555,197.46
05-22/07-25	Replace Water Mains on Broad Street From Main to Little Street	360,013.51	-	360,013.51
08-24/13-10	Various Water/Sewer Utility Improvements	52,642.28	-	52,642.28
09-07/16	Water Treatment Plant Improvements	250,000.00	-	250,000.00
09-25	Water Treatment Plant Improvements	350,000.00	-	350,000.00
10-18	Replacement of Water Mains	6,500,000.00	-	6,500,000.00
13-12	Replacement of Water Mains	1,150,000.00	-	1,150,000.00
15-06	Various Water/Sewer Utility Improvements	400,000.00	-	400,000.00
		-	445,000.00	445,000.00
		<u>\$ 10,098,009.65</u>	<u>\$ 445,000.00</u>	<u>\$ 10,543,009.65</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salaries and Wages	\$ -	\$ 60,068.87	\$ 60,068.87	\$ 26,556.60	\$ 33,512.27
Other Expenses	34,884.55	81,954.27	116,838.82	43,461.72	73,377.10
Acquisition of Water	39,209.18	47,611.57	86,820.75	78,726.23	8,094.52
Bayshore Regional Sewerage Authority	-	1,256.35	1,256.35	-	1,256.35
Statutory Expenditures:					
Contributions To:					
Social Security System (O.A.S.I)	-	3,342.52	3,342.52	-	3,342.52
	<u>\$ 74,093.73</u>	<u>\$ 194,233.58</u>	<u>\$ 268,327.31</u>	<u>\$ 148,744.55</u>	<u>\$ 119,582.76</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 130,084.87
Increased By:	
Current Year Accrued Interest	122,022.22
	252,107.09
Decreased By:	
Prior Year Accrued Interest	130,084.87
Balance, December 31, 2015	\$ 122,022.22

Analysis of Balance - December 31, 2015

	Outstanding December 31, <u>2015</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:	\$ 255,291.00	Various	12/01/14	12/31/15	30 days	\$ 1,017.03
	3,360,000.00	Various	07/15/14	12/31/15	165 days	74,590.89
	1,640,000.00	Various	12/01/14	12/31/15	30 days	5,904.17
NJ Environmental Infrastructure Trust Loan:						
	\$ 221,746.00	Various	08/01/14	12/31/15	150 days	\$ 3,293.19
	1,200,000.00	Various	08/01/14	12/31/15	150 days	25,763.81
	560,000.00	Various	08/01/14	12/31/15	150 days	11,453.13
						\$ 122,022.22

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Description	Balance December 31, 2014		Authorized	Transferred From		Expended	Transferred To		Balance December 31, 2015	
		Funded	Unfunded		Encumbrances	Encumbrances		Encumbrances	Funded	Unfunded	
95-39/02-06	Ten-Inch Water Main, Route 34 to Colonial Shops	\$ 4,226.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,226.51	\$ -
99-13/01-15/02-16	Reconstruction and Improvement of Sanitary Sewer System	3,964.90	-	-	835.38	-	-	835.38	-	3,964.90	-
02-02/02-07	Reconstruction of Somerset Pl. Pump Station and Force Main and Reconstruction of Buttonwood Manor Pump Station	3,269.45	-	-	-	-	-	-	-	3,269.45	-
02-18/07-27	Water Main and Sanitary Sewer Improvements	1,685.19	2,075.57	-	-	-	-	-	-	-	2,075.57
09-07	Water Treatment Plant Improvements	-	-	-	-	-	-	-	-	-	-
08-24/13-10	Various Water/Sewer Utility Improvements	-	4,113.25	-	1,179.35	316.46	1,179.35	1,179.35	-	-	3,796.79
09-25	Water Treatment Plant Improvements	108,169.74	1,187,860.00	-	70,277.74	719,456.16	116,944.58	116,944.58	-	-	529,906.74
10-18	Replacement of Water Mains	31,317.54	-	-	17,923.96	37.50	17,886.46	17,886.46	-	31,317.54	-
13-12	Replacement of Water Mains	-	46,900.27	-	60,993.23	-	386.32	386.32	-	-	107,507.18
15-06	Various Water/Sewer Utility Improvements	-	-	445,000.00	-	4,919.70	41,500.00	41,500.00	-	-	398,580.30
		\$ 152,633.33	\$ 1,240,949.09	\$ 445,000.00	\$ 151,209.66	\$ 724,729.82	\$ 178,732.09	\$ 178,732.09	\$ 44,463.59	\$ 1,041,866.58	

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 231,600.00
Increased By:	
Budget Appropriation	<u>100,000.00</u>
Balance, December 31, 2015	<u><u>\$ 331,600.00</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 14,946,262.61
Increased By:		
Serial Bond Payment	430,833.00	
State of New Jersey Environmental Infrastructure Loan Payment	<u>459,792.65</u>	
		<u>890,625.65</u>
Balance, December 31, 2015		<u><u>\$ 15,836,888.26</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance December 31, 2015 & 2014</u>
95-39/02-05	Ten-Inch Water Main Route 34 to Colonial Shops	10/03/95 & 03/19/02	\$ 11,365.52
10-18	Replacement of Water Mains	12/09/10	<u>57,500.00</u>
			<u><u>\$ 68,865.52</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2015</u>		<u>Interest Rate</u>	<u>Balance December 31, 2014</u>		<u>Balance December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>		<u>Decreased</u>		
Water/Sewer Improvements	12/01/05	\$ 468,000.00				\$ 57,000.00	\$ 57,000.00	\$ -
Refunding Bonds	04/12/07	454,575.00	12/01/16	45,309.00	5.000%	299,124.00	43,833.00	255,291.00
			12/01/17	49,078.00	5.000%			
			12/01/18	51,319.00	5.000%			
			12/01/19	53,560.00	5.000%			
			12/01/20	56,025.00	4.000%			
Water/Sewer Improvements	01/21/11	3,920,000.00	01/15/16	145,000.00	2.750%	3,500,000.00	140,000.00	3,360,000.00
			01/15/17	150,000.00	5.000%			
			01/15/18	155,000.00	5.000%			
			01/15/19	165,000.00	5.000%			
			01/15/20	175,000.00	5.000%			
			01/15/21	180,000.00	5.000%			
			01/15/22	190,000.00	5.000%			
			01/15/23	200,000.00	5.000%			
			01/15/24	210,000.00	5.000%			
			01/15/25	220,000.00	5.000%			
			01/15/26	235,000.00	5.000%			
			01/15/27	245,000.00	5.000%			
			01/15/28	260,000.00	5.000%			
			01/15/29	270,000.00	5.000%			
			01/15/30	280,000.00	5.000%			
01/15/31	280,000.00	5.000%						
Refunding Bonds	05/22/12	1,830,000.00	12/01/16	190,000.00	4.000%	1,830,000.00	190,000.00	1,640,000.00
			12/01/17	190,000.00	4.000%			
			12/01/18	185,000.00	4.000%			
			12/01/19	185,000.00	4.000%			
			12/01/20	185,000.00	4.000%			
			12/01/21	180,000.00	4.000%			
			12/01/22	175,000.00	5.000%			
			12/01/23	175,000.00	5.000%			
			12/01/24	175,000.00	5.000%			
						<u>\$ 5,686,124.00</u>	<u>\$ 430,833.00</u>	<u>\$ 5,255,291.00</u>

**BOROUGH OF MATAWAN
 COUNTY OF MONMOUTH, NEW JERSEY
 WATER/SEWER UTILITY OPERATING FUND
 SCHEDULE OF DUE FROM GENERAL CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	633.01
Decreased by :		
Cash Receipts		633.01
		633.01
Balance, December 31, 2015	\$	-

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE FROM WATER/SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 135,390.56
Decreased by :	
Cash Receipts	<u>135,390.56</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE FROM WATER/SEWER UTILITY ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 205.98
Decreased by :	
Cash Receipts	<u>205.98</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF DUE TO WATER/SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 205.98
Decreased by :	
Cash Disbursements	<u>205.98</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Date</u>	Balance, December 31, <u>2014</u>	Cancelled	Balance, December 31, <u>2015</u>
72-2	Freneau Sewer Extension	03/01/88	10	06/01/88-97	\$ 28,141.00	28,141.00	\$ -

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CUSTOMER OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 10,526.24
Decreased By:	
Overpayments Applied	<u>4,526.80</u>
Balance, December 31, 2015	<u><u>\$ 5,999.44</u></u>

**BOROUGH OF MATAWAN
 COUNTY OF MONMOUTH, NEW JERSEY
 WATER/SEWER UTILITY ASSESSMENT TRUST FUND
 SCHEDULE OF RESERVE FOR ASSESSMENTS RECEIVABLE
 FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>December 31, 2014</u>	<u>Cancelled</u>	<u>Balance, December 31, 2015</u>
72-2	Freneau Sewer Extension	\$ 28,141.00	\$ 28,141.00	\$ -

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
Trust Loan 2001A	\$ 1,325,000.00	10/15/01	08/01/16	85,000.00	5.00%	\$ 640,000.00	\$ 80,000.00	\$ 560,000.00
			08/01/17	85,000.00	5.00%			
			08/01/18	90,000.00	5.00%			
			08/01/19	95,000.00	5.00%			
			08/01/20	100,000.00	4.75%			
			08/01/21	105,000.00	4.75%			
Fund Loan 2001A	1,400,000.00	10/15/01	02/01/16	8,955.65	0.00%	502,013.77	72,647.11	429,366.66
			08/01/16	64,343.07	0.00%			
			02/01/17	7,570.97	0.00%			
			08/01/17	62,958.39	0.00%			
			02/01/18	6,186.28	0.00%			
			08/01/18	64,831.78	0.00%			
			02/01/19	4,720.14	0.00%			
			08/01/19	66,623.73	0.00%			
			02/01/20	3,172.55	0.00%			
			08/01/20	68,334.22	0.00%			
			02/01/21	1,624.96	0.00%			
			08/01/21	70,044.92	0.00%			
			Trust - DW - 2012	1,300,000.00	05/01/12			
08/01/17	55,000.00	5.00%						
08/01/18	55,000.00	5.00%						
08/01/19	60,000.00	5.00%						
08/01/20	60,000.00	5.00%						
08/01/21	65,000.00	5.00%						
08/01/22	70,000.00	5.00%						
08/01/23	75,000.00	5.00%						
08/01/24	80,000.00	5.00%						
08/01/25	80,000.00	5.00%						
08/01/26	85,000.00	5.00%						
08/01/27	90,000.00	3.00%						
08/01/28	90,000.00	3.00%						
08/01/29	95,000.00	3.125%						
08/01/30	95,000.00	3.20%						
08/01/31	95,000.00	3.25%						

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
Fund - DW - 2012	4,012,140.00	05/01/12	02/01/16	74,298.88	0.00%	3,789,243.35	222,896.65	3,566,346.70
			08/01/16	148,597.77	0.00%			
			02/01/17	74,298.88	0.00%			
			08/01/17	148,597.77	0.00%			
			02/01/18	74,298.88	0.00%			
			08/01/18	148,597.77	0.00%			
			02/01/19	74,298.88	0.00%			
			08/01/19	148,597.77	0.00%			
			02/01/20	74,298.88	0.00%			
			08/01/20	148,597.77	0.00%			
			02/01/21	74,298.88	0.00%			
			08/01/21	148,597.77	0.00%			
			02/01/22	74,298.88	0.00%			
			08/01/22	148,597.77	0.00%			
			02/01/23	74,298.88	0.00%			
			08/01/23	148,597.77	0.00%			
			02/01/24	74,298.88	0.00%			
			08/01/24	148,597.77	0.00%			
			02/01/25	74,298.88	0.00%			
			08/01/25	148,597.77	0.00%			
			02/01/26	74,298.88	0.00%			
			08/01/26	148,597.77	0.00%			
			02/01/27	74,298.88	0.00%			
			08/01/27	148,597.77	0.00%			
			02/01/28	74,298.88	0.00%			
			08/01/28	148,597.77	0.00%			
			02/01/29	74,298.88	0.00%			
			08/01/29	148,597.77	0.00%			
			02/01/30	74,298.88	0.00%			
			08/01/30	148,597.77	0.00%			
			02/01/31	74,298.88	0.00%			
			08/01/31	148,598.07	0.00%			

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
Trust - DW - 2014	232,399.00	06/30/14	08/01/16	10,671.00	0.360%	232,399.00	10,653.00	221,746.00
			08/01/17	10,709.00	0.590%			
			08/01/18	10,772.00	0.940%			
			08/01/19	10,873.00	1.210%			
			08/01/20	11,005.00	1.500%			
			08/01/21	11,170.00	1.740%			
			08/01/22	11,364.00	1.970%			
			08/01/23	11,588.00	2.140%			
			08/01/24	11,836.00	2.280%			
			08/01/25	12,106.00	2.430%			
			08/01/26	12,400.00	2.610%			
			08/01/27	12,724.00	2.750%			
			08/01/28	13,074.00	2.840%			
			08/01/29	13,445.00	2.990%			
			08/01/30	13,847.00	3.030%			
			Fund - DW - 2014	660,685.00	06/30/14			
08/01/16	23,595.89	0.00%						
02/01/17	11,797.94	0.00%						
08/01/17	23,595.89	0.00%						
02/01/18	11,797.94	0.00%						
08/01/18	23,595.89	0.00%						
02/01/19	11,797.94	0.00%						
08/01/19	23,595.89	0.00%						
02/01/20	11,797.94	0.00%						
08/01/20	23,595.89	0.00%						
02/01/21	11,797.94	0.00%						
08/01/21	23,595.89	0.00%						
02/01/22	11,797.94	0.00%						
08/01/22	23,595.89	0.00%						
02/01/23	11,797.94	0.00%						
08/01/23	23,595.89	0.00%						
02/01/24	11,797.94	0.00%						
08/01/24	23,595.89	0.00%						
02/01/25	11,797.94	0.00%						
08/01/25	23,595.89	0.00%						
02/01/26	11,797.94	0.00%						
08/01/26	23,595.89	0.00%						
02/01/27	11,797.94	0.00%						
08/01/27	23,595.89	0.00%						
02/01/28	11,797.94	0.00%						
08/01/28	23,595.89	0.00%						
02/01/29	11,797.94	0.00%						
08/01/29	23,595.89	0.00%						
02/01/30	11,797.94	0.00%						
08/01/30	23,595.89	0.00%						
02/01/31	11,797.94	0.00%						
08/01/31	23,595.89	0.00%						
02/01/32	11,797.94	0.00%						
08/01/32	23,595.89	0.00%						
02/01/33	11,797.94	0.00%						
08/01/33	23,596.06	0.00%						
						\$ 7,074,341.12	\$ 459,792.65	\$ 6,614,548.47

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE TO WATER/SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 135,390.53
Increased By:	
Cash Receipts:	<u>205.98</u>
	135,596.51
Decreased By:	
Cash Disbursements	<u>135,596.51</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE TO WATER/SEWER UTILITY ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 5,165.67
Decreased By:	
Cash Disbursements	<u>205.98</u>
Balance, December 31, 2015	<u><u>\$ 4,959.69</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJEIT LOANS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 1,577,250.00
Decreased By:	
Cash Receipts	<u>1,356,480.00</u>
Balance, December 31, 2015	<u><u>\$ 220,770.00</u></u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance,		
					December 31, 2014	December 31, 2015	
					Increased	Decreased	
08-24	Various Water/Sewer Utility Improvements	08/5/14	7/27/16	1.000%	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
13-12	Replacement of Water Mains	08/5/14	7/27/16	1.000%	400,000.00	400,000.00	400,000.00
					<u>\$ 450,000.00</u>	<u>\$ 450,000.00</u>	<u>\$ 450,000.00</u>

**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Description</u>	Balance December 31, <u>2014</u>	2015 <u>Authorizations</u>	Decreased By <u>Loans Issued</u>	Balance December 31, <u>2015</u>
09-25	Water Treatment Plant Improvements	\$ 1,187,860.00	\$ -	\$ 893,084.00	\$ 294,776.00
15-06	Various Water/Sewer Utility Improvements	-	445,000.00	-	445,000.00
		<u>\$ 1,187,860.00</u>	<u>\$ 445,000.00</u>	<u>\$ 893,084.00</u>	<u>\$ 739,776.00</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF MATAWAN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Additions</u>	Balance December 31, <u>2015</u>
Land and Land Improvements	\$ 4,540,000.00	\$ -	\$ 4,540,000.00
Buildings and Improvements	5,763,100.00	-	5,763,100.00
Machinery and Equipment	5,485,180.44	210,576.49	5,695,756.93
	<u>\$ 15,788,280.44</u>	<u>\$ 210,576.49</u>	<u>\$ 15,998,856.93</u>

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COMMENTS AND RECOMMENDATIONS

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Honorable Mayor and Members
of the Borough Council
Borough of Matawan
Matawan, New Jersey 07747

We have audited the financial statements –regulatory statutory basis of the Borough of Matawan in the County of Monmouth for the year ended December 31, 2015. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

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

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

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

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

The compliance review of expenditures did not reveal any individual payments of 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 and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 for the period of January 1, 2015 to June 30, 2015 and in excess of \$6,000 for the period of July 1, 2015 to December 31, 2015, thereafter "for the performance of any work or the

furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (N.J.S.A.40A:11-6.1).

Collection of Interest on Delinquent Taxes and Utility Assessments

The statute provides the method of authorizing interest and the maximum rate to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body, on January 1, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-66 provides that taxes shall be payable in quarterly installments due on February 1, May 1, August 1 and November 1, after which dates, if unpaid, shall become delinquent; and that a period of ten calendar days grace for the payment of taxes following said date be fixed and established; and

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Borough of Matawan that, if payment is not made by the tenth calendar day of the month on which the installment becomes payable, an interest charge of eight percent (8%) per annum will be assessed on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500.00, to be calculated from the date the tax was payable until the date of actual payment.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that a taxpayer who has a delinquency in excess of \$10,000.00, who fails to pay that delinquency prior to the end of a Calendar year will be charged a penalty of six percent (6%) of the amount of the delinquency plus interest calculated to December 31.

Tax Sale

The last tax sale was held on December 16, 2015 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2015	30
2014	30
2013	29

Deductions From Taxes

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

Examination of Bills

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

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of the Borough employees. No exceptions were noted.

***Finding 2015-001:**

During our audit it was noted that several interfund balances exist at year end.

Recommendation:

That all interfund balances be liquidated by year-end.

Managements Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Prior Year Findings

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

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name of Official</u>	<u>Title</u>
Paul Buccellato	Mayor
Linda Clifton	Council President
Michael Caldon	Councilperson
Kimberly Daly	Councilperson
Donna Gould	Councilperson
Joseph Urbano	Councilperson
Andy Lopez (7/2015-12/2015)	Councilperson
Toni Angelini (1/2015-6/2015)	Councilperson
Louis Ferrara	Administrator
Karen Wynne	Municipal Clerk/Assessment Search Officer
Monica Antista	Chief Financial Officer/Treasurer
Peggy Warren	Tax Collector/Tax Search Officer
Kathleen Fitzgerald	Deputy Tax Collector
Michele Bodino	Payroll Clerk
Joyce Jorgensen	Utility Clerk
Pasquale Menna, Esq.	Borough Attorney

All employees are covered by a dishonesty Public Employees' Blanket Bond in the amount of \$50,000.00, written by Monmouth Municipal Joint Insurance Fund. In addition, there are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000.00 for Public Employees.

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

A handwritten signature in black ink, appearing to read 'R. Allison', written over a horizontal line.

Robert W. Allison
Registered Municipal Accountant
No. CR483

Freehold, New Jersey
July 14, 2016