CERTIFICATION OF GOVERNING BODY OF THE ANNUAL AUDIT

GROUP AFFIDAVIT FORM

NO PHOTO COPIES OF SIGNATURES

STATE OF NEW JERSEY
COUNTY OF MONMOUTH

We, members of the governing body of the Township of Colts Neck of, in the County of Monmouth, being duly sworn according to law, upon our oath depose and say:

1. We are duly elected members of the Township Committee of the Township of Colts Neck in the county of Monmouth;
2. In the performance of our duties, and pursuant to N.J.A.C. 5:30-6.5, we have familiarized ourselves with the contents of the Annual Municipal Audit filed with the Clerk pursuant to N.J.S.A: 40A:5-6 for the year 2015
3. We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled "Comments and Recommendations."

(L.S.)Thomas Orgo, Mayor	(L.S.)
(L.S.)Michael D. Fitzgerald, Deputy Mayor	(L.S.)
(L.S.)Russell Macnow, Committeeman	(L.S.)
(L.S.)J. P. Bartolomeo, Committeeman	(L.S.)
(L.S.)Edward C. Eastman, Jr., Committeeman	(L.S.)

Sworn to and subscribed before me this
21 day of July 2016
Notary Public of New Jersey

RUTH LEININGER
Notary Public State of New Jersey
My Commission Expires November 15, 2020

Beth Kara, Municipal Clerk

The Municipal Clerk shall set forth the reason for the absence of signature of any members of the governing body.

IMPORTANT: This certificate must be sent to the Bureau of Financial Regulation and Assistance, Division of Local Government Services, P.O. Box 803, Trenton, New Jersey 08625.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

AUDIT REPORT FOR THE YEAR ENDED
DECEMBER 31, 2015

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Exhibit	Page
Independent Auditor's Report		1
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Schedules Performed in Accordance with Government Auditing Standards		5
Financial Schedules		
Current Fund		
Comparative Schedule of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	A	9
Comparative Schedule of Operations and Changes in Fund Balance - Regulatory Basis	A-1	11
Schedule of Revenues - Regulatory Basis	A-2	12
Schedule of Expenditures - Regulatory Basis	A-3	14
Trust Fund		
Comparative Schedule of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	B	21
General Capital Fund		
Comparative Schedule of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	C	22
Comparative Schedule of Fund Balance - Regulatory Basis	C-1	23
General Fixed Assets Account Group		
Comparative Schedule of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	D	24
Notes To Financial Schedules		
Supplementary Schedules		
Current Fund		
Schedule of Cash	A-4	55
Schedule of Change Funds	A-5	56
Schedule of Due From/(To) State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	57
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7	58
Schedule of Tax Title Liens Receivable	A-8	59
Schedule of Property Acquired for Taxes - Assessed Valuation	A-9	60

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Exhibit	Page
Current Fund (continued):		
Schedule of Deferred Charges	A-10	61
Schedule of Revenue Accounts Receivable	A-11	62
Schedule of Open Space Fund	A-12	63
Schedule of 2014 Appropriation Reserves	A-13	64
Schedule of Accounts Payable	A-14	67
Schedule of Encumbrances Payable	A-15	68
Schedule of Prepaid Taxes	A-16	69
Schedule of County Taxes Payable	A-17	70
Schedule of Due County for Added and Omitted Taxes	A-18	71
Schedule of Local District School Tax Payable	A-19	72
Schedule of Regional High School Tax Payable	A-20	73
Schedule of Due To State and Local Agencies	A-21	74
Schedule of Various Reserves	A-22	75
Schedule of Special Emergency Note Payable	A-23	76
Schedule of Tax Overpayments	A-24	77
Schedule of State Grants Receivable	A-25	78
Schedule of Reserve for State Grants - Appropriated	A-26	79
Schedule of Reserve for State Grants - Unappropriated	A-27	80
Trust Fund		
Schedule of Cash - Treasurer	B-1	83
Schedule of Reserve for Dog Fund Expenditures	B-2	84
Schedule of Due (To)/From State of New Jersey Department of Health	B-3	85
Schedule of Due To Third Parties	B-4	86
Schedule of Reserve for Various Trusts	B-5	87
Schedule of Reserve for Farmland Preservation	B-6	88
Schedule of Investments - Length of Service Awards Program Fund (UNAUDITED)	B-7	89
Schedule of Miscellaneous Reserves - Length of Service Awards Program Fund (UNAUDITED)	B-8	90
General Capital Fund		
Schedule of Cash - Treasurer	C-2	93
Schedule of Analysis of General Capital Cash	C-3	94
Schedule of Deferred Charges To Future Taxation - Funded	C-4	95
Schedule of Deferred Charges To Future Taxation - Unfunded	C-5	96
Schedule of General Serial Bonds	C-6	97
Schedule of Bond Anticipation Notes	C-7	98
Schedule of Green Trust Loan Payable	C-8	99
Schedule of Improvement Authorizations	C-9	100
Schedule of Capital Improvement Fund	C-10	101
Schedule of Reserve for Debt Service	C-11	102
Schedule of Reserve To Purchase Fire Truck	C-12	103
Schedule of Grants and Intergovernmental Receivable	C-13	104
Schedule of Bond and Notes Authorized But Not Issued	C-14	105

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Exhibit	Page
General Fixed Assets Account Group		
Schedule of Land	D-1	109
Schedule of Buildings and Improvements	D-2	110
Schedule of Machinery, Equipment and Vehicles	D-3	111
Comments Section		
Scope of Audit		115
Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4		115
Contracts and Agreements Requiring Solicitation of Quotations		116
Collection of Interest on Delinquent Taxes and Assessments		116
Tax Collector's Annual Report		117
Delinquent Taxes and Tax Title Liens		117
Deductions from Taxes		117
Examination of Bills		118
Deposit of Funds Paid to Local Unit		118
Payroll Fund		118
Prior Year Findings		118
Officials in Office and Surety Bonds		119
Acknowledgment		120

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH

PART I

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

****

HFA
HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Colts Neck
County of Monmouth
Colts Neck, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Colts Neck, County of Monmouth, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Colts Neck, 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 Township's financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Township's Trust Fund, and represent 11.47% and 12.01% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2015 and 2014.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Colts Neck, 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 Township of Colts Neck 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 May 10, 2016, on our consideration of the Township of Colts Neck's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Colts Neck'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
May 10, 2016

HFA
HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

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

Honorable Mayor and Members
of the Township Committee
Township of Colts Neck
County of Monmouth
Colts Neck, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Township of Colts Neck (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 May 10, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey
May 10, 2016

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

TOWNSHIP OF COLTS NECK
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

	REFERENCE	2015	2014
ASSETS			
Current Fund:			
Cash:			
Cash	A-4	$ 12,888,464.86	$ 12,950,712.83
Change Fund	A-5	500.00	500.00
Total		12,888,964.86	12,951,212.83
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-7	498,710.02	437,163.02
Tax Title Liens Receivable	A-8	32,683.28	30,893.81
Property Acquired for Taxes - Assessed Valuation	A-9	169,000.00	169,000.00
Revenue Accounts Receivable	A-11	11,166.19	17,126.64
Total Receivables & Other Assets With Full Reserves		711,559.49	654,183.47
Deferred Charges:			
Special Emergency - Authorization (N.J.S. 40A:4-55)	A-10	278,284.99	1,121,000.00
Total Current Funds		13,878,809.34	14,726,396.30
Grant Fund:			
Cash	A-4	75,553.20	94,179.24
State Grants Receivable	A-25	19,512.04	16,065.00
Total State Grants		95,065.24	110,244.24
Total Assets		$ 13,973,874.58	$ 14,836,640.54

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

TOWNSHIP OF COLTS NECK
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

	REFERENCE	2015	2014
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	$ 472,576.98	$ 409,719.76
Accounts Payable	A-14	16,124.00	16,124.00
Encumbrances Payable	A-15	36,088.82	21,169.88
Prepaid Taxes	A-16	461,164.07	660,371.70
Due County for Added and Omitted Taxes	A-18	29,757.73	8,992.53
Local District School Taxes Payable	A-19	5,074,311.29	4,867,296.17
Regional High School Taxes Payable	A-20	4,952,184.85	4,954,782.73
Due State of New Jersey and Local Agencies	A-21	125.00	175.00
Due to State of NJ - Senior Citizens' and Veterans Dedutions	A-6	3,500.00	750.00
Various Reserves	A-22	190,797.96	879,246.29
Special Emergency Note Payable	A-23	258,155.00	554,100.00
Tax Overpayments	A-24	6,358.50	6,358.50
Subtotal Current Fund		11,501,144.20	12,379,086.56
Reserve for Receivables & Other Assets	A	711,559.49	654,183.47
Fund Balance	A-1	1,666,105.65	1,693,126.27
Total Current Fund		13,878,809.34	14,726,396.30
Grant Fund:			
Reserve for State Grants:			
Appropriated Reserves	A-26	95,065.24	33,659.99
Unappropriated Reserves	A-27	-	76,584.25
Total State Grants		95,065.24	110,244.24
Total Liabilities, Reserves & Fund Balance		$ 13,973,874.58	$ 14,836,640.54

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

EXHIBIT A-1

TOWNSHIP OF COLTS NECK
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 AND 2014

	2015	2014
Revenue and Other Income Realized		
Fund Balance Utilized	$ 1,126,226.27	$ 1,172,346.00
Miscellaneous Revenue Anticipated	3,498,695.88	3,395,148.27
Receipts From Delinquent Taxes	401,548.90	644,503.29
Receipts From Current Taxes	51,225,310.60	50,236,526.13
Non-Budget Revenue	374,231.30	452,072.44
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	154,335.49	95,835.76
Accounts Payable Cancelled	-	129.07
Prior Year Refund	334.47	2,918.18
	56,780,682.91	55,999,479.14
Expenditures		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	3,977,301.00	3,909,132.68
Other Expenses	3,130,692.59	2,972,172.59
Deferred Charges and Statutory Expenditures	936,734.00	875,312.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	30,000.00	30,000.00
Other Expenses	394,354.87	422,552.50
Capital Improvements	374,795.00	346,100.00
Municipal Debt Service	2,038,467.17	1,793,569.16
Deferred Charges	4,000.00	4,000.00
Refund Prior Year Revenue	-	34,010.36
Prior Void Check Cashed	2,500.00	-
Grants Receivable Cancelled	-	500.00
Open Space Fund Tax	357,014.00	362,380.00
County Taxes	9,238,522.90	9,334,335.96
Due To County for Added and Omitted Taxes	29,757.73	8,992.53
Local District School Tax	21,676,118.00	21,270,536.00
Regional High School Tax	13,491,220.00	13,496,631.00
	55,681,477.26	54,860,224.78
Excess in Revenue	1,099,205.65	1,139,254.36
Fund Balance, January 1	1,693,126.27	1,726,217.91
	2,792,331.92	2,865,472.27
Decreased By:		
Utilized as Anticipated Revenue	1,126,226.27	1,172,346.00
Fund Balance, December 31	$ 1,666,105.65	$ 1,693,126.27

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Anticipated Budget	Budget Amendments	Amount Realized	Excess/ (Deficit)
Fund Balance Anticipated	$ 1,126,226.27	$ -	$ 1,126,226.27	$ -
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	15,000.00	-	15,938.00	938.00
Fees and Permits	110,000.00	-	68,718.50	(41,281.50)
Fines and Costs:				
Municipal Court	190,000.00	-	188,537.77	(1,462.23)
Interest and Costs on Taxes	133,550.41	-	117,345.89	(16,204.52)
Interest on Investments and Deposits	30,000.00	-	30,287.09	287.09
Recreation Fees	210,000.00	-	219,572.84	9,572.84
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	1,952,550.00	-	1,952,550.00	-
Supplemental Energy Receipts Tax				-
Watershed Moratorium	28,388.00	-	28,388.00	-
State Revenues Offset with Appropriations:				
Recycling Tonnage Grant	76,584.25	-	76,584.25	-
Clean Communities Program	-	37,143.33	37,143.33	-
Municipal Alliance on Drug and Alcohol Abuse	-	21,650.00	21,650.00	-
Body Armor Fund	-	2,183.88	2,183.88	-
Superstorm Sandy (FEMA)	689,796.33	-	689,796.33	-
Reserve for Debt Service	50,000.00	-	50,000.00	-
Total Miscellaneous Revenues	3,485,868.99	60,977.21	3,498,695.88	(48,150.32)
Receipts From Delinquent Taxes	420,000.00	-	401,548.90	(18,451.10)
Amount To Be Raised By Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	6,784,534.00	-	7,422,677.97	638,143.97
Budget Revenues	11,816,629.26	60,977.21	12,449,149.02	571,542.55
Non-Budget Revenues	-	-	374,231.30	374,231.30
	$ 11,816,629.26	$ 60,977.21	$ 12,823,380.32	$ 945,773.85

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue From Collections	$ 51,225,310.60
Allocated To:	
School, County, and Open Space Taxes	44,792,632.63
	6,432,677.97
Add: Appropriation "Reserve for Uncollected Taxes"	990,000.00
Amount for Support of Municipal Budget Appropriations	$ 7,422,677.97
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	$ 401,548.90
Fees and Permits:	
Board of Health	$ 25,342.50
Planning Board Fees	8,000.00
Board of Adjustment Fees	13,385.00
Street Opening Permits	6,850.00
CCO Inspection Fees	885.00
Fire Prevention Fees	12,741.00
Auction and Garage Sale Licenses	1,120.00
Miscellaneous	395.00
	$ 68,718.50
Analysis of Non-Budget Revenues	
TV Cable Franchise Fees	$ 33,479.00
Mercantile Licenses	5,975.00
Prior Year Reimbursements	11,084.64
Alarm Fines	9,400.00
Antenna Tower Fees	287,815.41
Refunds	1,227.83
Hotel Tax From State	2,668.08
Recycled Scrap Metal	2,752.35
Senior Citizen/Veteran Administrative Cost	1,200.00
Miscellaneous	18,628.99
	$ 374,231.30

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

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

	Appropriated		Expended		
	Original Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
General Appropriations					
Operations - Within "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	$ 185,688.00	$ 165,688.00	$ 165,399.28	$ 288.72	$ -
Other Expenses	46,615.00	46,615.00	46,183.99	431.01	-
Mayor and Committee:					
Salaries and Wages	7,500.00	7,500.00	6,000.00	1,500.00	-
Municipal Clerk:					
Salaries and Wages	37,031.00	37,031.00	37,031.00	-	-
Elections:					
Other Expenses	3,200.00	3,200.00	1,759.39	1,440.61	-
Financial Administration (Treasury):					
Salaries and Wages	76,860.00	76,860.00	76,493.42	366.58	-
Other Expenses	28,030.00	28,030.00	26,278.52	1,751.48	-
Audit Services:					
Other Expenses	31,000.00	31,000.00	30,400.00	600.00	-
Revenue Administration (Tax Collection):					
Salaries and Wages	140,281.00	153,481.00	153,378.12	102.88	-
Other Expenses	4,565.00	4,565.00	4,102.40	462.60	-
Tax Assessment Administration:					
Salaries and Wages	32,250.00	32,650.00	32,620.19	29.81	-
Other Expenses	32,740.00	32,740.00	23,134.12	9,605.88	-
Revaluation				-	
Legal Services (Legal Department):					
Other Expenses	145,000.00	160,000.00	157,681.07	2,318.93	-
Engineering Services:					
Other Expenses	11,500.00	13,500.00	11,485.65	2,014.35	-
LAND USE ADMINISTRATION					
Farm Land/Open Space Commission:					
Salaries and Wages	750.00	750.00	417.50	332.50	-
Other Expenses	110.00	110.00	28.88	81.12	-

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

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

	Appropriated		Expended		
	Original Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Historical Preservation:					
Salaries and Wages	800.00	1,150.00	1,115.00	35.00	-
Other Expenses	1,530.00	1,530.00	651.55	878.45	-
Planning Board:					
Salaries and Wages	136,479.00	136,479.00	135,961.08	517.92	-
Other Expenses	8,810.00	9,810.00	9,381.92	428.08	-
Architectural Review:					
Salaries and Wages	750.00	850.00	832.50	17.50	-
Other Expenses	110.00	110.00	104.00	6.00	-
Zoning Board of Adjustment:					
Salaries and Wages	1,200.00	1,200.00	1,200.00	-	-
Other Expenses	4,905.00	5,905.00	5,282.93	622.07	-
CODE ENFORCEMENT AND ADMINISTRATION					
Code Enforcement Official:					
Salaries and Wages	30,888.00	30,888.00	30,888.00	-	-
Other Expenses	2,325.00	2,325.00	1,996.50	328.50	-
INSURANCE					
Unemployment Insurance	2,000.00	2,000.00	2,000.00	-	-
General Liability	210,924.00	210,924.00	210,924.00	-	-
Workers Compensation	303,781.00	303,781.00	292,801.69	10,979.31	-
Employee Group Health	811,295.00	811,295.00	771,951.91	39,343.09	-
Health Benefit Waiver	7,500.00	7,500.00	7,500.00	-	-
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	1,973,905.00	1,993,905.00	1,993,905.00	-	-
Other Expenses	107,500.00	118,500.00	110,965.18	7,534.82	-
Office of Emergency Management:					
Other Expenses	1,000.00	1,000.00	423.50	576.50	-
Aid To Volunteer Fire Companies	70,850.00	70,850.00	36,206.30	34,643.70	-
First Aid Organization - Contribution	20,000.00	20,000.00	20,000.00	-	-

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

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

	Appropriated		Expended		
	Original Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Fire Department:					
Other Expenses	28,000.00	28,000.00	27,995.98	4.02	-
Fire Prevention Bureau:					
Salaries and Wages	21,665.00	21,665.00	21,665.00	-	-
Other Expenses	3,430.00	3,430.00	2,768.45	661.55	-
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	916,447.00	884,047.00	825,784.94	58,262.06	-
Other Expenses	145,000.00	145,000.00	132,006.26	12,993.74	-
Snow Removal:					
Salaries and Wages	37,800.00	37,800.00	37,350.65	449.35	-
Other Expenses	375,700.00	375,700.00	299,350.91	76,349.09	-
Shade Tree Commission:					
Salaries and Wages	1,200.00	1,200.00	705.00	495.00	-
Other Expenses	3,810.00	3,810.00	1,490.22	2,319.78	-
Recycling:					
Salaries and Wages	2,000.00	2,000.00	2,000.00	-	-
Other Expenses	85,629.59	85,629.59	85,628.68	0.91	-
Buildings and Grounds:					
Salaries and Wages	1,000.00	1,000.00	1,000.00	-	-
Other Expenses	69,095.00	69,095.00	66,495.72	2,599.28	-
Municipal Court:					
Salaries and Wages	77,755.00	77,755.00	74,873.98	2,881.02	-
Other Expenses	8,275.00	8,275.00	7,214.06	1,060.94	-
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	102,357.00	102,357.00	101,812.25	544.75	-
Other Expenses	20,850.00	20,850.00	13,416.30	7,433.70	-
Environmental Commission:					
Salaries and Wages	750.00	750.00	525.00	225.00	-
Other Expenses	110.00	110.00	72.13	37.87	-

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

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

	Appropriated		Expended		
	Original Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Animal Control Services:					
Other Expenses	33,000.00	33,000.00	27,462.00	5,538.00	-
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	200,795.00	200,795.00	187,092.13	13,702.87	-
Other Expenses	150,450.00	150,450.00	139,755.36	10,694.64	-
Maintenance of Parks:					
Salaries and Wages	9,000.00	9,000.00	9,000.00	-	-
Other Expenses	36,925.00	39,925.00	30,728.07	9,196.93	-
UNCLASSIFIED					
Municipal Alliance on Alcoholism and Drug Abuse	4,128.00	4,128.00	-	4,128.00	-
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	37,000.00	37,000.00	34,079.39	2,920.61	-
Street Lighting	12,500.00	12,500.00	12,416.66	83.34	-
Telephone (excluding equipment acquisition)	44,000.00	44,000.00	43,268.09	731.91	-
Natural Gas	19,000.00	19,000.00	14,318.26	4,681.74	-
Gasoline	160,000.00	160,000.00	91,414.97	68,585.03	-
Accumulated Sick and Vacation	500.00	500.00	-	500.00	-
Surety Bond	500.00	500.00	400.00	100.00	-
Total Operations - Within "CAPS"	7,088,343.59	7,102,993.59	6,698,575.05	404,418.54	-
Contingent	5,000.00	5,000.00	4,535.44	464.56	-
Total Operations Including Contingent - Within "CAPS"	7,093,343.59	7,107,993.59	6,703,110.49	404,883.10	-
Detail:					
Salaries and Wages	3,995,651.00	3,977,301.00	3,897,050.04	80,250.96	-
Other Expenses (Including Contingent)	3,097,692.59	3,130,692.59	2,806,060.45	324,632.14	-

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

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

	Appropriated		Expended		
	Original Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"					
Contribution To:					
Public Employees' Retirement System	231,171.00	231,171.00	231,171.00	-	-
Social Security System (O.A.S.I.)	310,000.00	295,350.00	281,628.09	13,721.91	-
Police and Firemen's Retirement System of N.J.	410,213.00	410,213.00	410,213.00	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	951,384.00	936,734.00	923,012.09	13,721.91	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	8,044,727.59	8,044,727.59	7,626,122.58	418,605.01	-
Department of Environmental Protection					
Recycling Tax (N.J.S.A. 13:1E-96.5)	4,870.41	4,870.41	4,870.41	-	-
Aid To Library (N.J.S.A. 40:54-35):					
Salaries and Wages	30,000.00	30,000.00	30,000.00	-	-
Other Expenses	22,125.00	22,125.00	17,654.69	4,470.31	-
LOSAP	48,000.00	48,000.00	-	48,000.00	-
INTERLOCAL MUNICIPAL AGREEMENTS					
Interlocal Service - County - 911	104,798.00	104,798.00	103,296.34	1,501.66	-
DECLARED SATE OF EMERGENCY COST FOR SNOW REMOVAL					
N.J.S.A (40a:4-45,45(b)) and 40A:4-45.39bb).	77,000.00	77,000.00	77,000.00	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities Program	-	37,143.33	37,143.33	-	-
Drug and Alcohol Abuse	-	21,650.00	21,650.00	-	-
Body Armor Fund	-	2,183.88	2,183.88	-	-
Recycling Tonnage	76,584.25	76,584.25	76,584.25	-	-
Total Operations - Excluded From "CAPS"	363,377.66	424,354.87	370,382.90	53,971.97	-

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

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

	Appropriated		Expended		
	Original Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Detail:					
Salaries and Wages	30,000.00	30,000.00	30,000.00	-	-
Other Expenses	333,377.66	394,354.87	340,382.90	53,971.97	-
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	374,795.00	374,795.00	374,795.00	-	-
Total Capital Improvements - Excluded From "CAPS"	374,795.00	374,795.00	374,795.00	-	-
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	757,414.00	757,414.00	757,414.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	-			-	-
Interest on Bonds	426,939.00	426,939.00	425,677.55	-	1,261.45
Interest on Notes	-			-	-
Special Emergency Note Principal (Sandy)	838,715.01	838,715.01	838,715.01	-	-
Special Emergency Note Interest (Sandy)	5,526.00	5,526.00	5,525.61	-	0.39
Green Acres Loan - Principal and Interest	11,135.00	11,135.00	11,135.00	-	-
Total Municipal Debt Service - Excluded From "CAPS"	2,039,729.01	2,039,729.01	2,038,467.17	-	1,261.84
DEFERRED CHARGES					
Emergency Authorizations					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	4,000.00	4,000.00	4,000.00	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	4,000.00	4,000.00	4,000.00	-	-
Total General Appropriations - Excluded From "CAPS"	2,781,901.67	2,842,878.88	2,787,645.07	53,971.97	1,261.84
Subtotal General Appropriations	10,826,629.26	10,887,606.47	10,413,767.65	472,576.98	1,261.84

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

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

	Appropriated		Expended		
	Original Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Reserve for Uncollected Taxes	990,000.00	990,000.00	990,000.00	-	-
Total General Appropriations	$ 11,816,629.26	$ 11,877,606.47	$ 11,403,767.65	$ 472,576.98	$ 1,261.84

Added by N.J.S. 40A:4-87	$ 60,977.21
Original Budget	$ 11,816,629.26
	$ 11,877,606.47

Reserve for Uncollected Taxes	$ 990,000.00
Cash Disbursements	9,397,402.36
Deferred Charges:	
Special Emergency	842,715.01
State Grants - Appropriated	137,561.46
Encumbrances Payable	36,088.82
	$ 11,403,767.65

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

EXHIBIT B

TOWNSHIP OF COLTS NECK
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

ASSETS	REFERENCE	2015	2014
Animal Control Fund:			
Cash	B-1	$ 8,465.62	$ 7,322.02
		8,465.62	7,322.02
Trust - Other Fund			
Cash	B-1	5,109,122.56	4,654,008.83
		5,109,122.56	4,654,008.83
Length of Service of Award Program Fund ("LOSAP") (Unaudited):			
Investments	B-7	662,959.86	636,004.65
Total Assets		$ 5,780,548.04	$ 5,297,335.50
LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	$ 8,465.62	$ 7,322.02
Total Animal Control Fund		8,465.62	7,322.02
Trust - Other Fund:			
Due to Third Parties	B-4	12,949.35	-
Reserve for Various Trusts	B-5, B-6	5,096,173.21	4,654,008.83
		5,109,122.56	4,654,008.83
Length of Service Award Program Fund ("LOSAP") (Unaudited):			
Miscellaneous Reserves	B-8	662,959.86	636,004.65
Total Other Trust Funds		662,959.86	636,004.65
Total		$ 5,780,548.04	$ 5,297,335.50

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

EXHIBIT C

TOWNSHIP OF COLTS NECK
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

ASSETS	REFERENCE	2015	2014
Cash	C-2,C-3	$ 872,717.98	$ 820,814.01
Deferred Charges to Future Taxation:			
Funded	C-4	10,883,641.96	11,497,373.70
Unfunded	C-5	750,500.00	750,500.00
Grants and Intergovernmental Receivable	C-13	-	62,500.00
Total Assets		$ 12,506,859.94	$ 13,131,187.71

LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-6	$ 10,520,000.00	$ 11,425,000.00
MCIA Lease Payable	C-7	301,000.00	-
Green Trust Loan Payable	C-8	62,641.96	72,373.70
Improvement Authorizations:			
Funded	C-9	601,923.67	632,339.70
Unfunded	C-9	750,500.00	750,500.00
Capital Improvement Fund	C-10	210,549.00	140,729.00
Reserve for:			
Debt Service	C-11	52,808.68	102,808.68
Purchase of Fire Truck	C-12	3,494.50	3,494.50
Fund Balance	C-1	3,942.13	3,942.13
Total Liabilities, Reserves & Fund Balance		$ 12,506,859.94	$ 13,131,187.71

There were bonds and notes authorized but not issued at December 31, 2015 of $750,500.00 and of December 31, 2014 of $750,500.00.

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

EXHIBIT C-1

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014 & 2015	$ 3,942.13

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

EXHIBIT D

TOWNSHIP OF COLTS NECK
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

	Reference	Balance December 31, 2015	Balance December 31, 2014
Land	D-1	$ 19,876,189.69	$ 19,756,477.39
Buildings and Improvements	D-2	3,886,390.00	3,836,715.00
Machinery, Equipment and Vehicles	D-3	7,119,673.00	7,324,765.00
Total General Fixed Assets		$ 30,882,252.69	$ 30,917,957.39
Investment in General Fixed Assets		$ 30,882,252.69	$ 30,917,957.39

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

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

This page intentionally left blank

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Township of Colts Neck was incorporated in 1847 and is located in eastern New Jersey. The population according to the 2010 census is 10,142.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibilities rest with the Mayor, who is assisted by the Township Clerk.

Component Units

The Township of Colts Neck had no component units as defined by Governmental Accounting Standards Board Statement No.14, as amended by GASB Statements No. 39 and 61.

Basis of Accounting, Measurement Focus and Basis of Presentation

The financial statements of the Township of Colts Neck 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 Township of Colts Neck 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.

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

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

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

An extension of the statutory dates for introduction, approval, and adoption of the 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 Township'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.SA 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies. *N.J.S.A.17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

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.

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

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

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 Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

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

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 Balance - Fund balances included in the current fund and 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 Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township 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 Township's annual budget, but also the amounts required in support of the budgets of the County of Monmouth, the Colts Neck Township School District and the Freehold Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

County Taxes - The Township 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 January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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

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

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.

Volunteer Length of Service Award Plan - The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township'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 Township's financial statements.

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

Note 2. Cash & Cash Equivalents

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

Type	Carrying Value
Deposits	
Demand Deposits	$ 18,954,324.29
Total Deposits	$ 18,954,324.29
Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:	
Current Fund	$ 12,888,464.86
Grant Fund	75,553.20
Animal Control Trust Fund	8,465.62
Trust - Other Fund	5,109,122.63
General Capital Fund	872,717.98
Total Cash	$ 18,954,324.29

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

Note 2. Cash & Cash Equivalents (continued)

As of December 31, 2015, the Township's bank balances of $19,287,681.99 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	$ 4,807,120.90
Insured Under F.D.I.C.	890,936.78
Collateralized Under GUDPA	13,419,204.89
New Jersey Cash Management Fund	170,419.42
Total	$ 19,287,681.99

Note: 3: Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are 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 Township, and are held by either the counterparty's trust department or agent but no in the Township name. As of December 31, 2015 the Township's balance of investments was $662,959.86, which consisted of mutual funds for the Township's Length of Service Awards Program (Unaudited) in the amount of $662,959.86, which are not exposed to custodial credit risk because the investments securities are registered in the Township'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 Township 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 Township may purchase. The Township does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Township does not place a limit on the amount that may be invested in any one issuer. Of the total December 31, 2015 balance of $662,959.86, $662,959.86 is recorded in the Trust Fund – LOSAP.

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	$1.735	$1.687	$1.618
Apportionment of Tax Rate:			
Municipal	0.240	0.226	0.215
County	0.311	0.309	0.309
Local School District	0.730	0.705	0.686
Regional High School	0.454	0.447	0.408

Net Valuation Taxable:

2015	$ 2,971,383,066		
2014		$ 3,018,022,351	
2013			$ 3,049,072,334

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	$ 51,731,356.52	$ 51,225,310.60	99.02%
2014	50,963,105.92	50,236,526.13	98.57%
2013	49,520,713.55	48,556,792.65	98.05%

Note: 4: Property Taxes (continued)

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	$ 32,683.28	$ 498,710.02	$ 531,393.30	1.03%
2014	30,893.81	437,163.02	468,056.83	0.92%
2013	29,714.60	638,144.79	667,859.39	1.35%

Note: 5: 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	$ 169,000.00
2014	169,000.00
2013	169,000.00

Note: 6: Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2015	$ 1,666,105.65	$ 1,126,000.00	67.58%
2014	1,683,349.59	1,126,226.27	66.90%
2013	1,726,217.91	1,172,346.00	67.91%
2012	1,568,760.06	994,000.00	63.36%
2011	1,763,843.16	1,086,000.00	61.57%

Note 7. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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:

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

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

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

Note 7. Pension Obligations (continued):

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

annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to $231,171.00 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 Township's proportionate share of the PERS net pension liability is valued to be $6,401,320.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .02852%, which was an increase of .00047% 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	6,401,320.00	5,250,157.00
Township's Portion of the Plan's Total Net Pension Liability	0.02852%	0.02804%

For the year ended December 31, 2015, the Township had an allocated pension expense of $482,358.00.

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:

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

Note 7. 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%	

Note 7. Pension Obligations (continued):

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

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

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

	Decrease (3.90%)	Discount (4.90%)	Increase (5.90%)
Township's proportionate share of the net pension liability	$ 7,956,057.52	$ 6,401,320.00	$ 5,097,839.29

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.

Note 7. Pension Obligations (continued):

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

The following represents the membership tiers for PFRS:

Tier	Definition
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. Township contributions to PFRS amounted to $410,213.00 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.

Note 7. Pension Obligations (continued):

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PFRS net pension liability is valued to be $8,399,149.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .05043%, which was a decrease of .00298% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 & December 31, 2014

	12/31/15	12/31/14
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	8,399,149.00	6,718,275.00
Township's Portion of the Plan's Total Net Pension Liability	0.05043%	0.05341%

For the year ended December 31, 2015, the Township had an allocated pension expense of $737,679.00.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is $736,577.00 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .05043%, which was a decrease of .00298% from its proportion measured as of June 30, 2014, which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	$ 8,399,149.00
State's Proportionate Share of the Net Pension Liability Associated with the Township	736,577.00
Total Net Pension Liability	$ 9,135,726.00

For the year ended December 31, 2015, the Township's total allocated pension expense was $829,556.00.

Note 7. Pension Obligations (continued):

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

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

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

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

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:

Note 7. Pension Obligations (continued):

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

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

Note 7. Pension Obligations (continued):

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

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	$ 12,043,787.23	$ 9,135,726.00	$ 6,764,461.89

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 Township.

C. Defined Contribution Retirement Program

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

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

As of December 31, 2015, the Township did not have any employees participating in the Defined Contribution Retirement Program.

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

Note 8. Compensated Absences

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. Department head employees, White Collar employees, & Blue Collar employees are entitled to vacation and sick leave days based on their years of service. Unused sick leave may be accumulated as follows: Department head employees' up to a maximum of 90 days; White Collar employees' up to a maximum of 45 days; Blue Collar employees' up to a maximum of 60 days. Payout calculations for sick accrued days are as follows: Department Head Employees with 15 years of continuous service that resign or retire will receive one day pay for every 3 accrued days, with a maximum of 30 days; White Collar employees with 10 years of continuous service that resign or retire will receive one day pay for every 3 accrued days, with a maximum of 45 days; and Blue Collar employees with 10 years of continuous service that resign or retire will receive one day pay for every two accrued days, with a maximum pay of $4,000.00. All 3 types of employees vacation days not used during the year may be accumulated for a maximum of 10 days to the following year, but if not used in the second year, they will be forfeited.

Police full-time employees are entitled to vacation and sick leave days based on their years of service. Unused sick leave may be accumulated up to a maximum of $5,000.00. Vacation days not used during the year may only be carried at the discretion of the Chief of Police and must be used in the following year. All accumulated vacation and holidays are paid out at retirement.

The Township of Colts Neck does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at $263,140.87.

Note 9. Deferred Compensation Salary Account

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 10. Local District School and Regional High School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township has elected to defer school taxes as follows:

Note 10. Local District School and Regional High School Taxes

	Local District School Tax		Regional High School Tax	
	2015	2014	2015	2014
Balance of Tax	$ 7,900,411.29	$ 7,693,396.17	$ 6,475,784.85	$ 6,478,382.73
Deferred	2,826,100.00	2,826,100.00	1,523,600.00	1,523,600.00
Tax Payable	$ 5,074,311.29	$ 4,867,296.17	$ 4,952,184.85	$ 4,954,782.73

Note 11. Interfunds Receivables and Payables

No interfund balances exist at December 31, 2015.

Note 12. Capital Debt

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

	Year 2015	Year 2014	Year 2013
Issued & Outstanding:			
General Bonds, Loans and Notes	$ 10,582,641.96	$ 11,497,373.70	$ 16,696,904.67
Total Debt Issued	10,582,641.96	11,497,373.70	16,696,904.67
Authorized But Not Issued:			
General Bonds and Notes	750,500.00	750,500.00	712,500.00
Total Authorized But Not Issued	750,500.00	750,500.00	712,500.00
Deductions:			
Farmland Trust Fund	1,970,198.48	2,207,837.60	2,281,255.60
Reserve for Debt Service	52,808.68	102,808.68	142,808.68
Funds Temporarily Held to Play Bonds and Notes			4,334,765.42
Total Deductions	2,023,007.16	2,310,646.28	6,758,829.70
Total Net Debt	$ 9,310,134.80	$ 9,937,227.42	$ 10,650,574.97

Note 12. Capital Debt (continued):

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 0.306%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	$ 15,610,000.00	$ 15,610,000.00	$ -
Regional School District Debt	2,358,543.44	2,358,543.44	-
General Debt	11,333,141.96	2,023,007.16	9,310,134.80
Total	$ 29,301,685.40	$ 19,991,550.60	$ 9,310,134.80

Net Debt, $9,310,134.80 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, $3,038,442,372 equals 0.306%

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	$ 106,345,483.02
Net Debt	9,310,134.80
Remaining Borrowing Power	$ 97,035,348.22

A. Serial Bonds Payable

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Bonded Debt Issued and Outstanding:

GENERAL DEBT

Year	Principal	Interest	Total
2016	$ 930,000.00	$ 471,400.00	$ 1,401,400.00
2017	980,000.00	434,200.00	1,414,200.00
2018	1,025,000.00	395,000.00	1,420,000.00
2019	1,065,000.00	354,000.00	1,419,000.00
2020	1,105,000.00	311,400.00	1,416,400.00
2021-2025	3,775,000.00	866,050.00	4,641,050.00
2026-2028	1,640,000.00	166,750.00	1,806,750.00
Total	$ 10,520,000.00	$ 2,998,800.00	$ 13,518,800.00

Note 12. Capital Debt (continued):

B. Loans Payable

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Loan Debt Issued and Outstanding:

	GREEN ACRES TRUST LOANS		
Year	Principal	Interest	Total
2016	$ 9,927.34	$ 1,203.45	$ 11,130.79
2017	10,126.88	1,003.90	11,130.78
2018	10,330.43	800.36	11,130.79
2019	10,538.07	592.71	11,130.78
2020	10,749.89	380.90	11,130.79
2021-2022	10,969.35	192.55	11,161.90
Total	$ 62,641.96	$ 4,173.87	$ 66,815.83

C. MCIA Lease Payable

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Loan Debt Issued and Outstanding:

	MCIA LEASE PURCHASE AGREEMENT		
Year	Principal	Interest	Total
2016	$ 35,000.00	$ 12,079.67	$ 47,079.67
2017	38,000.00	12,320.00	50,320.00
2018	40,000.00	10,800.00	50,800.00
2019	42,000.00	8,800.00	50,800.00
2020	44,000.00	6,700.00	50,700.00
2021-2025	102,000.00	14,450.00	116,450.00
Total	$ 301,000.00	$ 65,149.67	$ 366,149.67

D. Bond Anticipation Notes

The Township had no Bond Anticipation Notes outstanding at December 31, 2015.

Note 12. Capital Debt (continued):

E. Bonds and Notes Authorized But Not Issued

At December 31, 2015, the Township of Colts Neck had $750,500.00 authorized but not issued bonds and notes.

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	$ 11,425,000.00	$ -	$ (905,000.00)	$ 10,520,000.00	$ 930,000.00
Green Trust Loans Payable	72,373.70	-	(9,731.74)	62,641.96	9,927.34
MCIA Lease Payable	-	301,000.00	-	301,000.00	-
Authorized but Not Issued	750,500.00	-	-	750,500.00	-
Total General Capital	$ 12,247,873.70	$ 301,000.00	$ (914,731.74)	$ 11,634,141.96	$ 939,927.34

Note 13. Special Emergency Notes

The Township had a Special Emergency Note outstanding at December 31, 2015 in the amount of $258,155.00. The notes bear an interest rate of 1.0% and mature on 11/10/2016. The notes were authorized on 12/21/12 for the purpose of extraordinary expenses resulting from damage caused by Superstorm Sandy.

Note 14. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	Balance 12/31/2015	2016 Budget Appropriation
Current Fund:		
Special Emergency Authorization (N.J.S.A. 40A: 4-54) - Superstorm Sandy	278,284.99	137,143.00

Note 15. New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Township 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 Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

Fiscal Year	Township Contributions	Amount Reimbursed	Ending Balance
2015	$ -	$ -	$ 310.82
2014	-	-	310.82
2013	-	-	310.82

Note 16. Litigation

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

Note 17. Subsequent Events

On January 27, 2016 the Township approved Ordinance 2016-02 to appropriate funds for various capital improvements. The purchase will be funded through Bonds and Notes in the amount of $2,398,095, DOT Grant, and Capital Improvement Fund.

SUPPLEMENTARY EXHIBITS

This page intentionally left blank

CURRENT FUND

This page intentionally left blank

EXHIBIT A-4

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2015

		Current Fund		Grant Fund
Balance, December 31, 2014		$ 12,950,712.83		$ 94,179.24
Increased By Receipts:				
Miscellaneous Revenue Not Anticipated	$ 374,231.30			
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	60,000.00		-	
Taxes Receivable	50,909,237.80		-	
Revenue Accounts Receivable	2,671,338.09		-	
Prepaid Taxes	461,164.07		-	
Due To State and Local Agencies	975.00		-	
Various Reserves	1,348.00		-	
Special Emergency Note Payable	258,155.00		-	
Refunds	334.47		-	
State Grants Receivable	-		57,530.17	
		54,736,783.73		57,530.17
		67,687,496.56		151,709.41
Decreased By Disbursements:				
2014 Appropriations	9,397,402.36		-	
2014 Appropriation Reserves	276,554.15		-	
Open Space Trust Fund	357,014.00		-	
Accounts Payable	-		-	
County Taxes	9,238,522.90		-	
County Added and Omitted Taxes	8,992.53		-	
Local District School Tax	21,469,102.88		-	
Regional High School Tax	13,493,817.88		-	
Due To State and Local Agencies	1,025.00		-	
Prior Year Void Check Cashed	2,500.00			
Special Emergency Note Payable	554,100.00		-	
Reserve for State Grants - Appropriated	-		76,156.21	
		54,799,031.70		76,156.21
Balance, December 31, 2015		$ 12,888,464.86		$ 75,553.20

EXHIBIT A-5

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Office	Balance December 31, 2015 & 2014
Tax Collector	$ 200.00
Municipal Court Clerk	300.00
	$ 500.00

EXHIBIT A-6

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		$ (750.00)
Increased By:		
Senior Citizens' Deductions Per Tax Billing	$ 3,500.00	
Veterans' Deductions Per Tax Billing	53,250.00	
Deductions Allowed By Collector:		
2015 Taxes	750.00	
		57,500.00
		56,750.00
Decreased By:		
Cash Receipts	60,000.00	
2015 Senior Citizens' Deductions Disallowed	250.00	
		60,250.00
Balance, December 31, 2015		$ (3,500.00)

TOWNSHIP OF COLTS NECK
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	Added Taxes	Collections 2014	Collections 2015	Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transferred To Tax Title Liens	Cancellations and Adjustments	Balance December 31, 2015
2014	$ 437,163.02	$ -	$ -	$ -	$ 401,548.90	$ -	$ -	$ 35,614.12	$ -
2015	-	51,553,505.12	177,851.40	660,371.70	50,507,688.90	57,250.00	1,789.47	5,546.43	498,710.02
	$ 437,163.02	$ 51,553,505.12	$ 177,851.40	$ 660,371.70	$ 50,909,237.80	$ 57,250.00	$ 1,789.47	$ 41,160.55	$ 498,710.02

Analysis of Property Tax Levy

Tax Yield:		
General Purpose Tax	$ 51,553,505.12	
Added Taxes	177,851.40	
		$ 51,731,356.52
Tax Levy:		
Open Space Tax	357,014.00	
County Taxes	9,238,522.90	
County Taxes Added	29,757.73	
Local School Tax	21,676,118.00	
Regional School Tax	13,491,220.00	
		$ 44,792,632.63
Tax for Municipal Purposes	6,784,534.00	
Additional Taxes Added	154,189.89	
		6,938,723.89
		$ 51,731,356.52

EXHIBIT A-8

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 30,893.81
Increased By:	
Transfers From Taxes Receivable	1,789.47
Balance, December 31, 2015	$ 32,683.28

EXHIBIT A-9

TOWNSHIP OF COLTS NECK
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	$ 169,000.00

EXHIBIT A-10

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2015

Year	Description	Amount	Balance December 31, 2014	Raised in 2015 Budget	Balance December 31, 2015
Special Emergency Authorization:					
N.J.S.A. 40A:4-53:					
2010	Revaluation	$ 20,000.00	$ 4,000.00	$ 4,000.00	$ -
N.J.S.A. 40A:4-54:					
2012	Superstorm Sandy	2,500,000.00	1,117,000.00	838,715.01	278,284.99
			$ 1,121,000.00	$ 842,715.01	$ 278,284.99

EXHIBIT A-11

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance December 31, 2014	Accrued in 2015	Collected in 2015	Balance December 31, 2015
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	$ -	$ 15,938.00	$ 15,938.00	$ -
Fees and Permits	-	68,718.50	68,718.50	-
Fines and Costs:				
Municipal Court	17,126.64	182,577.32	188,537.77	11,166.19
Interest and Costs on Taxes	-	117,345.89	117,345.89	-
Interest on Investments and Deposits	-	30,287.09	30,287.09	-
Recreation Fees	-	219,572.84	219,572.84	-
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	-	1,952,550.00	1,952,550.00	-
Watershed Moratorium	-	28,388.00	28,388.00	-
Reserve for Debt Service	-	50,000.00	50,000.00	-
	$ 17,126.64	$ 2,665,377.64	$ 2,671,338.09	$ 11,166.19

EXHIBIT A-12

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO OPEN SPACE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ -
Increased By:	
2015 Levy	357,014.00
	357,014.00
Decreased By:	
Disbursed To Trust Fund	357,014.00
Balance, December 31, 2015	$ -

TOWNSHIP OF COLTS NECK
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 Transfers	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	$ 1,802.45	$ 1,802.45	$ -	$ 1,802.45
Other Expenses	9,114.34	10,725.34	7,718.97	3,006.37
Mayor and Committee:				
Salaries and Wages	1,500.00	1,500.00	-	1,500.00
Municipal Clerk:				
Salaries and Wages	708.10	708.10	-	708.10
Elections:				
Other Expenses	1,634.00	1,634.00	-	1,634.00
Financial Administration (Treasury):				
Other Expenses	1,206.36	1,206.36	1,145.18	61.18
Audit Services:				
Other Expenses	200.00	200.00	-	200.00
Revenue Administration (Tax Collection):				
Other Expenses	448.58	448.58	440.00	8.58
Tax Assessment Administration:				
Salaries and Wages	257.60	257.60	-	257.60
Other Expenses	22,294.99	17,694.99	17,573.96	121.03
Legal Services (Legal Department):				
Other Expenses	9,078.06	9,078.06	9,022.50	55.56
Engineering Services:				
Other Expenses	1,258.96	1,258.96	957.74	301.22
LAND USE ADMINISTRATION				
Farm Land/Open Space Commission:				
Salaries and Wages	272.50	272.50	-	272.50
Historical Preservation:				
Salaries and Wages	580.00	580.00	-	580.00
Other Expenses	1,323.40	1,323.40	346.00	977.40
Planning Board:				
Salaries and Wages	1,353.83	1,353.83	-	1,353.83
Other Expenses	341.51	341.51	47.00	294.51
Architectural Review:				
Salaries and Wages	422.50	422.50	-	422.50
Other Expenses	53.40	53.40	-	53.40
Zoning Board of Adjustment:				
Salaries and Wages	0.13	0.13	-	0.13
Other Expenses	450.22	450.22	85.25	364.97
CODE ENFORCEMENT AND ADMINISTRATION				
Code Enforcement Official:				
Salaries and Wages	24.10	24.10	-	24.10
Other Expenses	131.21	131.21	-	131.21

TOWNSHIP OF COLTS NECK
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 Transfers	Paid or Charged	Balance Lapsed
INSURANCE				
Unemployment Insurance	20.42	20.42	-	20.42
Workers Compensation	5,544.00	5,544.00	4,647.99	896.01
Employee Group Health	32,311.26	32,311.26	-	32,311.26
Health Benefit Waiver	7,500.00	7,500.00	-	7,500.00
PUBLIC SAFETY				
Police Department:				
Salaries and Wages	4,057.65	4,057.65	1,850.00	2,207.65
Other Expenses	2,053.17	13,805.97	12,519.82	1,286.15
Office of Emergency Management:				
Other Expenses	378.82	378.82	-	378.82
Aid To Volunteer Fire Companies	11,950.63	11,950.63	10,319.99	1,630.64
Fire Department:				
Other Expenses	2.88	2.88	-	2.88
Fire Prevention Bureau:				
Other Expenses	1,489.89	1,648.89	297.18	1,351.71
PUBLIC WORKS				
Streets and Road Maintenance:				
Salaries and Wages	13,871.31	871.31	-	871.31
Other Expenses	8,793.45	10,786.37	6,945.15	3,841.22
Snow Removal:				
Salaries and Wages	959.50	959.50	-	959.50
Other Expenses	87,321.50	100,145.72	97,697.12	2,448.60
Shade Tree Commission:				
Salaries and Wages	685.00	685.00	-	685.00
Other Expenses	20.50	40.50	20.00	20.50
Recycling:				
Other Expenses	6,531.52	6,612.80	6,612.80	-
Buildings and Grounds:				
Salaries and Wages	-			-
Other Expenses	4,015.69	4,316.40	2,995.31	1,321.09
Municipal Court:				
Salaries and Wages	13,609.54	13,609.54	-	13,609.54
Other Expenses	2,271.95	2,271.95	170.00	2,101.95
HEALTH AND HUMAN SERVICES				
Public Health Services (Board of Health):				
Other Expenses	7,524.17	7,524.17	4,073.25	3,450.92
Environmental Commission:				
Salaries and Wages	327.50	327.50	-	327.50
Other Expenses	54.30	54.30	-	54.30

TOWNSHIP OF COLTS NECK
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 Transfers	Paid or Charged	Balance Lapsed
Animal Control Services:				
Other Expenses	6,722.29	6,722.29	276.50	6,445.79
PARK AND RECREATION				
Recreation Services and Programs:				
Salaries and Wages	4,148.10	4,148.10	-	4,148.10
Other Expenses	601.90	15,027.87	14,895.46	132.41
Maintenance of Parks:				
Other Expenses	387.36	4,687.35	363.00	4,324.35
UNCLASSIFIED				
Municipal Alliance on Alcoholism and Drug Abuse	960.50	960.50	-	960.50
UTILITY EXPENSES AND BULK PURCHASES				
Electricity	33.31	3,433.31	3,154.71	278.60
Street Lighting	1,165.35	1,165.35	944.18	221.17
Telephone (excluding equipment acquisition)	1,755.33	2,355.33	2,352.26	3.07
Natural Gas	1,484.22	2,984.22	2,910.02	74.20
Gasoline	33,004.12	36,004.12	35,722.43	281.69
Accumulated Sick and Vacation	500.00	500.00	-	500.00
				-
Surety Bond	500.00	500.00	-	500.00
				-
Contingent	108.41	108.41	-	108.41
				-
STATUTORY EXPENDITURES				
Contribution To:				
Social Security System (O.A.S.I.)	33,184.30	15,984.30	-	15,984.30
Aid To Library (N.J.S.A. 40:54-35):				
Other Expenses	4,413.29	4,415.28	860.38	3,554.90
LOSAP	55,000.00	55,000.00	29,590.00	25,410.00
INTERLOCAL MUNICIPAL AGREEMENTS				
Interlocal Service - County - 911	0.39	0.39	-	0.39
Total General Appropriations	$ 409,719.76	$ 430,889.64	$ 276,554.15	$ 154,335.49

2014 Appropriations Reserves	$ 409,719.76
Encumbrances Payable	21,169.88
	$ 430,889.64

Cash Disbursed	$ 276,554.15
	$ 276,554.15

EXHIBIT A-14

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2015 & 2014	$ 16,124.00

EXHIBIT A-15

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 21,169.88
Increased By:	
2015 Budget Appropriations	36,088.82
	57,258.70
Decreased By:	
Transfer To Appropriation Reserves	21,169.88
Balance, December 31, 2015	$ 36,088.82

EXHIBIT A-16

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 660,371.70
Increased By:	
Cash Receipts:	
Collection of 2016 Taxes	461,164.07
	1,121,535.77
Decreased By:	
Amount Applied To 2015 Taxes Receivable	660,371.70
Balance, December 31, 2015	$ 461,164.07

EXHIBIT A-17

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		$ -
Increased By:		
2015 Tax Levy:		
County Tax	$ 8,240,992.02	
County Library Tax	543,237.09	
County Open Space Fund Tax	454,293.79	
		9,238,522.90
		9,238,522.90
Decreased By:		
Cash Disbursements		9,238,522.90
Balance, December 31, 2015		$ -

EXHIBIT A-18

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO COUNTY FOR ADDED AND OMITTED TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 8,992.53
Increased By:	
County Share of 2015 Tax Levy:	
Added and Omitted Taxes	29,757.73
	38,750.26
Decreased By:	
Cash Disbursements	8,992.53
Balance, December 31, 2015	$ 29,757.73

EXHIBIT A-19

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014:		
School Tax Payable	$ 4,867,296.17	
School Tax Deferred	2,826,100.00	
		$ 7,693,396.17
Increased By:		
Levy (School Year July 1, 2015 to June 30, 2016)		21,676,118.00
		29,369,514.17
Decreased By:		
Cash Disbursements		21,469,102.88
Balance, December 31, 2015:		
School Tax Payable	5,074,311.29	
School Tax Deferred	2,826,100.00	
		$ 7,900,411.29

2015 Liability for Local District School Tax

Tax Payable, December 31, 2015	$ 5,074,311.29
Tax Paid	21,469,102.88
	26,543,414.17
Less:	
Tax Payable, December 31, 2014	4,867,296.17
Amount Charged To 2015 Operations	$ 21,676,118.00

EXHIBIT A-20

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014:		
School Tax Payable	$ 4,954,782.73	
School Tax Deferred	1,523,600.00	
		$ 6,478,382.73
Increased By:		
Levy (School Year July 1, 2015 to June 30, 2016)		13,491,220.00
		19,969,602.73
Decreased By:		
Cash Disbursements		13,493,817.88
Balance, December 31, 2015:		
School Tax Payable	4,952,184.85	
School Tax Deferred	1,523,600.00	
		$ 6,475,784.85

2015 Liability for Regional High School Tax

Tax Payable, December 31, 2015	$ 4,952,184.85
Tax Paid	13,493,817.88
	18,446,002.73
Less:	
Tax Payable, December 31, 2014	4,954,782.73
Amount Charged To 2015 Operations	$ 13,491,220.00

EXHIBIT A-21

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE AND LOCAL AGENCIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Description	Balance December 31, 2014	Cash Received	Cash Disbursed	Balance December 31, 2015
Due To State - Marriage Licenses	$ 175.00	$ 975.00	$ 1,025.00	$ 125.00
	$ 175.00	$ 975.00	$ 1,025.00	$ 125.00

EXHIBIT A-22

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

Description	Balance December 31, 2014	Increased	Realized as Revenue	Balance December 31, 2015
Alcohol Education Rehabilitation Fund	$ 532.70	$ -	$ -	$ 532.70
Master Plan	25,070.75	-	-	25,070.75
Tax Appeals	150,000.00	-	-	150,000.00
Cable/Board of Ed. Hook-up	13,500.00	1,000.00	-	14,500.00
FEMA Proceeds	689,796.33	-	689,796.33	0.00
State Library Aid	346.51	348.00	-	694.51
	$ 879,246.29	$ 1,348.00	$ 689,796.33	$ 190,797.96

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

Resolution Number	Description	Date of Issue of Original Note	Date of Maturity	Interest Rate	Balance December 31, 2014	Increase	Decrease	Balance December 31, 2015
2012-139/154	Extraordinary Expenses Resulting from Damage Caused by Superstorm Sandy	12/21/12	11/10/16	1.0%	$ 554,100.00	$ 258,155.00	$ 554,100.00	$ 258,155.00

EXHIBIT A-24

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 6,358.50
Increased By:	
Overpayments	20,876.85
	27,235.35
Decreased By:	
Overpayments Refunded	20,876.85
Balance, December 31, 2015	$ 6,358.50

EXHIBIT A-25

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance December 31, 2014	Increased By Revenue Realized 2015	Cash Receipts	Transferred From Grants Unappropriated	Cancelled	Balance December 31, 2015
Municipal Alliance on Drug and Alcohol Abuse	$ 16,065.00	$ 21,650.00	$ 18,202.96	$ -	$ -	$ 19,512.04
Clean Communities Grant	-	37,143.33	37,143.33	-	-	-
Recycling Tonnage Grant	-	76,584.25	-	76,584.25	-	-
Body Armor Fund	-	2,183.88	2,183.88	-	-	-
	$ 16,065.00	$ 137,561.46	$ 57,530.17	$ 76,584.25	$ -	$ 19,512.04

EXHIBIT A-26

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015

Grant	Balance December 31, 2014	Transferred From 2015 Appropriations	Expended	Balance December 31, 2015
Body Armor Fund - 2012	$ 1,653.24	$ -	$ 1,653.24	$ -
Body Armor Fund - 2013	2,187.03	-	2,187.03	-
Body Armor Fund - 2015	-	2,183.88	-	2,183.88
Drunk Driving Enforcement Fund - 2011	3,341.56	-	2,141.30	1,200.26
Drunk Driving Enforcement Fund - 2012	2,736.30	-	586.36	2,149.94
Drunk Driving Enforcement Fund - 2014	4,967.87	-	294.00	4,673.87
Recycling Tonnage Grant - 2015	-	76,584.25	35,640.58	40,943.67
Clean Communities Program - 2014	12,515.49	-	12,515.49	-
Clean Communities Program - 2015	-	37,143.33	10,679.65	26,463.68
Municipal Alliance on Drug and Alcohol Abuse - 2014	5,424.00	-	1,000.00	4,424.00
Municipal Alliance on Drug and Alcohol Abuse - 2015	-	21,650.00	9,381.96	12,268.04
Health Performance Quality Improvement Grant - 2012	834.50	-	76.60	757.90
	$ 33,659.99	$ 137,561.46	$ 76,156.21	$ 95,065.24

EXHIBIT A-27

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
STATE GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015

Grant	Balance December 31, 2014	Cash Receipts	Transferred To Grants Receivable	Balance December 31, 2015
Recycling Tonnage Grant	$ 76,584.25	$ -	$ 76,584.25	$ -

TRUST FUNDS

This page intentionally left blank

EXHIBIT B-1

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015

	Animal Control	Trust - Other
Balance, December 31, 2014	$ 7,322.02	$ 4,654,008.83
Increased By Receipts:		
Dog License Fees - Municipal Share	4,137.20	-
Dog License Fees - State Portion	622.80	-
Due To Third Parties	-	273,334.75
Reserve for Various Trusts	-	8,546,587.91
Reserve for Farmland Preservation	-	358,697.07
	4,760.00	9,178,619.73
	12,082.02	13,832,628.56
Decreased By Disbursements:		
Expenditures Under R.S. 4:19-15.11	2,993.60	-
Dog License Fees - State Portion	622.80	-
Due To Third Parties	-	260,385.40
Reserve for Various Trusts	-	8,232,716.35
Reserve for Farmland Preservation	-	230,404.25
	3,616.40	8,723,506.00
Balance, December 31, 2015	$ 8,465.62	$ 5,109,122.56

EXHIBIT B-2

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		$ 7,322.02
Increased By:		
Dog License Fees Collected - Municipal Share		4,137.20
		11,459.22
Decreased By:		
Expenditures Under R.S. 4:19-15.11		2,993.60
Balance, December 31, 2015		$ 8,465.62

License Fees Colleted:

2013 Fees	$ 4,554.40
2014 Fees	4,325.00
	$ 8,879.40

EXHIBIT B-3

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL FUND
SCHEDULE OF DUE (TO)/FROM STATE OF NEW JERSEY DEPARTMENT OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ -
Increased By:	
Payments	622.80
	622.80
Decreased By:	
2015 License Fees	622.80
Balance, December 31, 2015	$ -

EXHIBIT B-4

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF DUE TO THIRD PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ -
Increased By:	
Cash Receipts	273,334.75
	273,334.75
Decreased By:	
Cash Disbursements	260,385.40
Balance, December 31, 2015	$ 12,949.35

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR VARIOUS TRUSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance December 31, 2014	Cash Receipts	Disbursements	Balance December 31, 2015
Montrose Road Schoolhouse Donations	$ 783.55	$ -	$ 566.85	$ 216.70
Historical Preservation	11,899.46	2,230.00	5,973.77	8,155.69
Historical Society	-	52,120.81	-	52,120.81
Uniform Fire Safety Act Penalties	9,941.97	7,765.45	2,141.00	15,566.42
Law Enforcement Trust Fund	306.02	0.02	-	306.04
Schlesinger Estate	34,661.93	-	-	34,661.93
Unemployment Trust Fund	310.82	-	-	310.82
Tax Collector Trust Fund	389,300.00	706,929.73	418,902.61	677,327.12
Construction Code Fees	186,884.60	323,597.83	365,054.46	145,427.97
Tree Removal	436.94	-	-	436.94
Senior Center Donations	32,923.82	124.79	-	33,048.61
Donations to the Library	889.45	-	-	889.45
Snow Removal	15,445.10	85,716.50	67,861.46	33,300.14
Bid Opening	4,560.00	-	-	4,560.00
P.O.A.A. Fines	235.00	4.00	-	239.00
Public Defender	-	1,258.00	1,258.00	-
S.C.A.R.T.	4,060.00	2,365.00	800.00	5,625.00
Police Donations	15,118.18	2,000.00	4,589.39	12,528.79
County DWI Task Force	1,966.39	-	-	1,966.39
Fair Housing	18,531.90	-	512.50	18,019.40
COAH	583,591.76	120,059.07	42,150.96	661,499.87
Developers' Fees for Engineering and Cash Performance Bonds	2,792,842.80	75,249.02	172,727.93	2,695,363.89
Payroll Agency	-	5,595,544.42	5,595,544.42	-
Medical Insurance	1,074.16	1,564,391.00	1,548,812.00	16,653.16
Alliance Against Substance Abuse	1,810.54	3.65	-	1,814.19
Flexible Spending Account	2,036.62	7,228.62	5,821.00	3,444.24
	$ 4,109,611.01	$ 8,546,587.91	$ 8,232,716.35	$ 4,423,482.57

EXHIBIT B-6

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR FARMLAND PRESERVATION
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		$ 544,397.82
Increased By:		
2014 Budget Levy	$ 357,014.00	
Cash Receipts	1,683.07	
		358,697.07
		903,094.89
Decreased By:		
Payment of Bond Principal	147,586.00	
Interest on Bonds	82,818.25	
		230,404.25
Balance, December 31, 2015		$ 672,690.64

EXHIBIT B-7

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (Unaudited)
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		$ 636,004.65
Increased By:		
Township Contributions	$ 71,315.00	
		71,315.00
		707,319.65
Decreased By:		
Withdrawals	39,895.89	
Loss on Investments	1,407.24	
Accounting Charges	3,056.66	
		44,359.79
Balance, December 31, 2015		$ 662,959.86

EXHIBIT B-8

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (Unaudited)
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		$ 636,004.65
Increased By:		
Township Contributions	$ 71,315.00	
		71,315.00
		707,319.65
Decreased By:		
Withdrawals	$ 39,895.89	
Loss on Investments	1,407.24	
Accounting Charges	3,056.66	
		44,359.79
Balance, December 31, 2015		$ 662,959.86

GENERAL CAPITAL FUND

This page intentionally left blank

EXHIBIT C-2

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		$ 820,814.01
Increased By:		
Budget Appropriations:		
Capital Improvement Fund	$ 374,795.00	
NJ DOT Grant Received	62,500.00	
		437,295.00
		1,258,109.01
Decreased By:		
Bond Anticipation Notes		
Improvement Authorizations	335,391.03	
Reserve for Debt Service	50,000.00	
		385,391.03
Balance, December 31, 2015		$ 872,717.98

EXHIBIT C-3

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2015

		Balance December 31, 2015
Capital Improvement Fund		$ 210,549.00
Fund Balance		3,942.13
Reserve for:		
Purchase of Fire Truck		3,494.50
Debt Service		52,808.68
Ordinance Date/Number	Improvement Description	
2001-03	Rehabilitation of Affordable Housing - RCA	100,869.00
2008-03	Acquisition of Hammond and Amdur Farm	38,242.55
2008-07	Various Capital Improvements	586.61
2009-10	Various Capital Improvements/Equipment	11,920.00
2009-19	Acquisition of Affordable Housing Units	37,500.00
2010-08	Acquisition/Refurbishment of Property	43,000.00
2010-14	Improvements To Heyers Mill Road, Phase II	57,922.13
2011-09	Various Capital Improvements/Equipment	13,796.26
2013-07	Various Capital Improvements/Equipment	527.70
2013-10	Various Road Improvements/Acq. of Equipment	141,001.94
2014-05	Various Capital Improvement/Equipment	2,000.00
2014-12	Various Capital Improvement/Equipment	38,052.14
2014-12	Various Capital Improvement/Equipment	116,505.34
		$ 872,717.98

EXHIBIT C-4

TOWNSHIP OF COLTS NECK
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		$ 11,497,373.70
Increased By:		
MCIA Lease		301,000.00
		11,798,373.70
Decreased By:		
Bonds Paid By Budget Appropriations:		
General Serial Bonds	$ 905,000.00	
Green Trust Loans	9,731.74	
		914,731.74
Balance, December 31, 2015		$ 10,883,641.96

EXHIBIT C-5

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

Ordinance Date/ Number	Improvement Description	Balance December 31, 2014	2015 Authorizations	Transferred To Deferred Charges To Future Taxation Funded	Notes Paid By Budget Appropriation	Balance December 31, 2015	Analysis of Balance Unexpended Improvement Authorizations
2009-19	Acquisition of Affordable Housing Units	$ 712,500.00	$ -	$ -	$ -	$ 712,500.00	$ 712,500.00
2014-12	Various Capital Improvements/Equipment	38,000.00	-	-	-	38,000.00	38,000.00
		$ 750,500.00	$ -	$ -	$ -	$ 750,500.00	$ 750,500.00

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Purpose	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2015 Date	Maturities of Bonds Outstanding December 31, 2015 Amount	Interest Rate	Balance December 31, 2014	Decreased	Balance December 31, 2015
General Improvements	12/29/05	$ 6,689,000.00				$ 410,000.00	$ 410,000.00	$ -
Refunding Bonds	04/24/12	5,340,000.00	12/31/16	600,000.00	4.000%	5,000,000.00	175,000.00	4,825,000.00
			12/31/17	635,000.00	4.000%			
			12/31/18	665,000.00	4.000%			
			12/31/19	690,000.00	4.000%			
			12/31/20	715,000.00	4.000%			
			12/31/21	745,000.00	4.000%			
			12/31/22	775,000.00	5.000%			
MCIA General Obligaiton Bonds	12/24/13	6,310,000.00	12/01/16	330,000.00	4.000%	6,015,000.00	320,000.00	5,695,000.00
			12/01/17	345,000.00	4.000%			
			12/01/18	360,000.00	4.000%			
			12/01/19	375,000.00	4.000%			
			12/01/20	390,000.00	5.000%			
			12/01/21	410,000.00	5.000%			
			12/01/22	430,000.00	5.000%			
			12/01/23	450,000.00	5.000%			
			12/01/24	470,000.00	5.000%			
			12/01/25	495,000.00	5.000%			
			12/01/26	520,000.00	5.000%			
			12/01/27	545,000.00	5.000%			
			12/01/28	575,000.00	5.000%			
						$ 11,425,000.00	$ 905,000.00	$ 10,520,000.00

Current Fund Budget Appropriation	$ 757,414.00
Farmland Preservation Trust	147,586.00
	$ 905,000.00

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF MCIA LEASE PAYABLES
FOR THE YEAR ENDED DECEMBER 31, 2015

Purpose	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2015 Date	Maturities of Bonds Outstanding December 31, 2015 Amount	Interest Rate	Balance December 31, 2014	Increased	Decreased	Balance December 31, 2015
MCIA Lease Purchase	10/01/15	301,000.00	10/01/16	35,000.00	2.000%	-	301,000.00	-	301,000.00
			10/01/17	38,000.00	4.000%				
			10/01/18	40,000.00	4.000%				
			10/01/19	42,000.00	4.000%				
			10/01/20	44,000.00	5.000%				
			10/01/21	19,000.00	5.000%				
			10/01/22	20,000.00	5.000%				
			10/01/23	20,000.00	5.000%				
			10/01/24	21,000.00	5.000%				
			10/01/25	22,000.00	5.000%				
						$ -	$ 301,000.00	$ -	$ 301,000.00

EXHIBIT C-8

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds December 31, 2015 Date	Principal and Interest	Interest Rate	Balance December 31, 2014	Decrease	Balance December 31, 2015
Laird Road Recreation	06/25/01	$ 89,000.00	03/25/12-21					
Area Development			09/25/12-20	Various	2.00%	$ 33,575.92	$ 4,887.10	$ 28,688.82
Laird Road			05/06/12-22					
Recreation II	08/06/02	90,000.00	11/06/12-21	Various	2.00%	38,797.78	4,844.64	33,953.14
						$ 72,373.70	$ 9,731.74	$ 62,641.96

EXHIBIT C-9

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

Ordinance Number/Date	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2014 Funded	Balance December 31, 2014 Unfunded	2015 Authorizations: Capital Improvement Fund	2015 Authorizations: Paid or Charged	Balance December 31, 2015 Funded	Balance December 31, 2015 Unfunded
2001-03	Rehabilitation of Affordable Housing - RCA	01/30/01	$ 3,100,000.00	$ 100,869.00	$ -	$ -	$ -	$ 100,869.00	$ -
2005-15	Acquisition of Property	06/29/05	2,325,000.00	-	-	-	-	-	-
2008-03	Acquisition of Hammond and Amdur Farm	03/12/08	800,000.00	38,242.55	-	-	-	38,242.55	-
2008-07	Various Capital Improvements	05/14/08	396,000.00	586.61	-	-	-	586.61	-
2009-10	Various Capital Improvements/Equipment	05/27/09	125,000.00	11,920.00	-	-	-	11,920.00	-
2009-19	Acquisition of Affordable Housing Units	11/12/09	750,000.00	37,500.00	712,500.00	-	-	37,500.00	712,500.00
2010-05	Various Capital Improvements/Equipment	11/10/10	151,250.00	-	-	-	-	-	-
2010-08	Acquisition/Refurbishment of Property	08/11/10	73,339.00	43,000.00	-	-	-	43,000.00	-
2010-14	Improvements To Heyers Mill Road, Phase II	11/10/10	300,000.00	58,252.86	-	-	330.73	57,922.13	-
2011-04	Various Capital Improvements/Equipment	05/11/11	158,000.00	-	-	-	-	-	-
2011-09	Various Capital Improvements/Equipment	11/30/11	3,121,255.00	65,786.23	-	-	51,989.97	13,796.26	-
2012-10	Various Capital Improvements/Equipment	05/09/12	160,800.00	9,445.50	-	-	9,445.50	-	-
2013-07	Various Capital Improvements/Equipment	05/08/13	296,100.00	3,726.13	-	-	3,198.43	527.70	-
2013-10	Various Road Improvements/Acq. of Equipment	07/10/13	2,950,000.00	203,654.75	-	-	62,652.81	141,001.94	-
2013-11	Acquisition of Asphalt Hot Box & Lawn Mowers	07/10/13	70,000.00	-	-	-	-	-	-
2014-05	Various Capital Improvement/Equipment	2/26/14	40,000.00	2,000.00	38,000.00	-	-	2,000.00	38,000.00
2014-12	Various Capital Improvement/Equipment	5/14/14	296,100.00	57,356.07	-	-	19,303.93	38,052.14	-
2015-07	Various Capital Improvement/Equipment	5/13/15	304,975.00	-	-	304,975.00	188,469.66	116,505.34	-
				$ 632,339.70	$ 750,500.00	$ 304,975.00	$ 335,391.03	$ 601,923.67	$ 750,500.00

EXHIBIT C-10

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 140,729.00
Increased By:	
2015 Budget Appropriations	374,795.00
	515,524.00
Decreased By:	
Improvement Authorizations Funded	304,975.00
Balance, December 31, 2015	$ 210,549.00

EXHIBIT C-11

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 102,808.68
Decreased By:	
2015 Budget Appropriation	50,000.00
Balance, December 31, 2015	$ 52,808.68

EXHIBIT C-12

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE TO PURCHASE FIRE TRUCK
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014 & 2015	$ 3,494.50

EXHIBIT C-13

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS AND INTERGOVERNMENTAL RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 62,500.00
Decreased By:	
NJDOT Grant Received	62,500.00
Balance, December 31, 2015	$ -

EXHIBIT C-14

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015

Ordinance Number/Date	Improvement Description	Balance December 31, 2014	Increased By 2015 Authorizations	Transferred from Capital Improvement Fund	Balance December 31, 2015
2009-19	Acquisition of Affordable Housing Units	$ 712,500.00	$ -	$ -	$ 712,500.00
2014-05	Various Capital Improvements/Equipment	38,000.00	-	-	38,000.00
2015-07	Various Capital Improvements/Equipment	-	304,975.00	304,975.00	-
		$ 750,500.00	$ 304,975.00	$ 304,975.00	$ 750,500.00

This page intentionally left blank

GENERAL FIXED ASSETS ACCOUNT GROUP

This page intentionally left blank

EXHIBIT D-1

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF LAND
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 19,756,477.69
Increased By:	
Additions	119,712.00
Balance, December 31, 2015	$ 19,876,189.69

EXHIBIT D-2

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF BUILDINGS AND IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 3,836,715.00
Increased By Additions:	
Buildings and Improvements	56,255.00
	3,892,970.00
Decreased By Deletions:	
Buildings and Improvements	6,580.00
Balance, December 31, 2015	$ 3,886,390.00

EXHIBIT D-3

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF MACHINERY, EQUIPMENT AND VEHICLES
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	$ 7,324,765.00
Increased By Additions:	
Machinery, Equipment and Vehicles	196,815.00
	7,521,580.00
Decreased By Deletions:	
Machinery, Equipment and Vehicles	401,907.00
Balance, December 31, 2015	$ 7,119,673.00

This page intentionally left blank

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH

PART II

COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015

****

This page intentionally left blank

HFA
HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

The Honorable Mayor and Members
of the Township Committee
Township of Colts Neck, New Jersey

We have audited the financial statements – statutory basis of the Township of Colts Neck in the County of Monmouth for the year ended December 31, 2015.

Scope of Audit

The audit covered the financial transactions of the Tax Collector/Treasurer, the activities of the Mayor and Council and the records of the various outside departments.

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

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

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

GENERAL COMMENTS

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

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

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made. The minutes indicate that bids were requested by public advertising for the following items:

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

30 Yard Roll-Off Containers
Various Road Improvements

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

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*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Township Committee.

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of $5,400 ($6,000) 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 Assessments

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

The governing body on January 4, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "**BE IT RESOLVED** that the rate of interest to be charged for the nonpayment of taxes on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars ($1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One Thousand Five

Collection of Interest on Delinquent Taxes and Assessments (continued):

> Hundred Dollars ($1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable."

The Township also charges an additional 6% penalty on delinquencies in excess of $10,000 at the end of the calendar year.

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

Tax Collector's Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2015 with the governing body.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 included real estate taxes for 2015.

The last tax sale was held on December 1, 2015 and was complete.

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

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

YEAR	NUMBER OF LIENS
2015	3
2014	3
2013	3

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get properties back on a taxpaying basis.

Deductions From Taxes

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

Examination of Bills

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

Deposit of Funds Paid to Local Unit

N.J.S.40A:5-15 States:

"All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;

b. be deposited to the credit of the local unit in its designated legal depository."

Payroll Fund

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

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings.

OFFICIALS IN OFFICE

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

NAME	POSITION
James Schatzle	Mayor
Thomas Orgo	Deputy Mayor
Russell Macnow	Committeeman
Michael Fitzgerald	Committeeman
Jarrett Engel	Committeeman
Kathleen M. Capristo	Township Administrator
John D. Antonides	Chief Financial Officer, Tax Collector, Tax Search Officer, Qualified Purchasing Agent *
Cheryl Houss	Deputy Treasurer/Collector
Beth Kara	Municipal Clerk, Secretary to the Township Committee, Website Coordinator
Nicole Sonnenblick	Municipal Judge
Kathryne Bradach	Court Administrator, Violations Clerk
John O. Bennett, III	Attorney
Glenn Gerken	Engineer

*Public Employees Faithful Performance Coverage under a multi-peril policy carried with a coverage of $1,000,000.00, through MID Jersey Joint Insurance Fund.

All bonds were examined and appear to be properly executed.

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.

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

May 10, 2016
Freehold, New Jersey