

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
AUDIT REPORT FOR THE YEAR ENDED  
DECEMBER 31, 2014**



**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY**

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COUNTY OF MONMOUTH, NEW JERSEY**

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**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying comparative statement 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, 2014 and 2013, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

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

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

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

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

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

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 12.01% and 11.71% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2014 and 2013.

### **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, 2014 and 2013, 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, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## **Other Matters**

### **Report on Supplementary Information**

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and are also not required parts of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2015 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

April 22, 2015  
Freehold, New Jersey

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

Honorable Mayor and Members  
of the Township Council  
Colts Neck, Township of, 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 of the Township of Colts Neck as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements, and have issued our report thereon dated April 22, 2015.

Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1 .

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the year ended December 31, 2014. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Townships'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 Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

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

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

Freehold, New Jersey  
April 22, 2015

**BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF COLTS NECK  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

	REFERENCE	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>			
Current Fund:			
Cash:			
Cash	A-4	\$ 12,950,712.83	\$ 11,847,752.89
Change Fund	A-5	<u>500.00</u>	<u>500.00</u>
Total		<u>12,951,212.83</u>	<u>11,848,252.89</u>
Other Receivable:			
Due from State of NJ - Senior Citizens' and Veterans Dedutions	A-6	<u>-</u>	<u>250.00</u>
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-7	437,163.02	638,144.79
Tax Title Liens Receivable	A-8	30,893.81	29,714.60
Property Acquired for Taxes - Assessed Valuation	A-9	169,000.00	169,000.00
Revenue Accounts Receivable	A-11	<u>17,126.64</u>	<u>14,297.34</u>
Total Receivables & Other Assets With Full Reserves		<u>654,183.47</u>	<u>851,156.73</u>
Deferred Charges:			
Special Emergency - Authorization (N.J.S. 40A:4-55)	A-10	<u>1,121,000.00</u>	<u>1,708,000.00</u>
Total Current Funds		<u>14,726,396.30</u>	<u>14,407,659.62</u>
Grant Fund:			
Cash	A-4	94,179.24	83,715.67
State Grants Receivable	A-25	<u>16,065.00</u>	<u>10,615.21</u>
Total State Grants		<u>110,244.24</u>	<u>94,330.88</u>
Total Assets		<u>\$ 14,836,640.54</u>	<u>\$ 14,501,990.50</u>

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, 2014 AND 2013**

	REFERENCE	<u>2014</u>	<u>2013</u>
<b>LIABILITIES RESERVES &amp; FUND BALANCE</b>			
<b>Regular Fund:</b>			
<b>Liabilities:</b>			
Appropriation Reserves	A-3	\$ 409,719.76	\$ 262,663.07
Accounts Payable	A-14	16,124.00	36,253.07
Encumbrances Payable	A-15	21,169.88	12,733.16
Prepaid Taxes	A-16	660,371.70	415,397.93
Due County for Added and Omitted Taxes	A-18	8,992.53	30,811.47
Local District School Taxes Payable	A-19	4,867,296.17	4,731,442.97
Regional High School Taxes Payable	A-20	4,954,782.73	4,445,160.03
Due State of New Jersey and Local Agencies	A-21	175.00	150.00
Due to State of NJ - Senior Citizens' and Veterans Deductions	A-6	750.00	-
Various Reserves	A-22	879,246.29	761,673.28
Special Emergency Note Payable	A-23	554,100.00	1,134,000.00
Tax Overpayments	A-24	6,358.50	-
		<u>12,379,086.56</u>	<u>11,830,284.98</u>
Subtotal Current Fund			
Reserve for Receivables & Other Assets	A	654,183.47	851,156.73
Fund Balance	A-1	1,693,126.27	1,726,217.91
		<u>14,726,396.30</u>	<u>14,407,659.62</u>
Total Current Fund			
<b>Grant Fund:</b>			
<b>Reserve for State Grants:</b>			
Appropriated Reserves	A-26	33,659.99	94,330.88
Unappropriated Reserves	A-27	76,584.25	-
		<u>110,244.24</u>	<u>94,330.88</u>
Total State Grants			
Total Liabilities, Reserves & Fund Balance		<u>\$ 14,836,640.54</u>	<u>\$ 14,501,990.50</u>

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**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,172,346.00	\$ 994,000.00
Miscellaneous Revenue Anticipated	3,395,148.27	3,198,699.30
Receipts From Delinquent Taxes	644,503.29	564,857.28
Receipts From Current Taxes	50,236,526.13	48,556,792.65
Non-Budget Revenue	452,072.44	534,766.20
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	95,835.76	164,611.05
Accounts Payable Cancelled	129.07	-
Prior Year Refund	2,918.18	-
	<u>55,999,479.14</u>	<u>54,013,726.48</u>
<u>Expenditures</u>		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	3,909,132.68	3,886,661.00
Other Expenses	2,972,172.59	2,767,386.59
Deferred Charges and Statutory Expenditures	875,312.00	927,731.85
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	30,000.00	30,000.00
Other Expenses	422,552.50	249,774.71
Capital Improvements	346,100.00	321,100.00
Municipal Debt Service	1,793,569.16	1,502,868.73
Deferred Charges	4,000.00	4,000.00
Senior Citizens' and Veterans' Adjustment	-	464.42
Refund Prior Year Revenue	34,010.36	3,481.33
Grants Receivable Cancelled	500.00	-
Open Space Fund Tax	362,380.00	365,888.68
County Taxes	9,334,335.96	9,414,981.85
Due To County for Added and Omitted Taxes	8,992.53	30,811.47
Local District School Tax	21,270,536.00	20,922,199.00
Regional High School Tax	13,496,631.00	12,434,919.00
	<u>54,860,224.78</u>	<u>52,862,268.63</u>
Excess in Revenue	1,139,254.36	1,151,457.85
Fund Balance, January 1	1,726,217.91	1,568,760.06
	2,865,472.27	2,720,217.91
Decreased By:		
Utilized as Anticipated Revenue	1,172,346.00	994,000.00
Fund Balance, December 31	<u>\$ 1,693,126.27</u>	<u>\$ 1,726,217.91</u>

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, 2014**

	Anticipated <u>Budget</u>	Budget <u>Amendments</u>	Amount <u>Realized</u>	Excess/ <u>(Deficit)</u>
Fund Balance Anticipated	\$ 1,172,346.00	\$ -	\$ 1,172,346.00	\$ -
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	15,000.00	-	15,188.00	188.00
Fees and Permits	75,000.00	-	114,886.50	39,886.50
Fines and Costs:				
Municipal Court	175,000.00	-	206,411.11	31,411.11
Interest and Costs on Taxes	110,000.00	-	144,292.92	34,292.92
Interest on Investments and Deposits	35,000.00	-	32,240.18	(2,759.82)
Recreation Fees	205,000.00	-	218,308.79	13,308.79
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	1,952,550.00	-	1,952,550.00	-
Watershed Moratorium	28,388.00	-	28,388.00	-
State Revenues Offset with Appropriations:				
Drunk Driving Enforcement Fund	-	4,967.87	4,967.87	-
Clean Communities Program	-	30,577.87	30,577.87	-
Body Armor Fund	-	2,187.03	2,187.03	-
Drug and Alcohol Abuse	22,150.00	-	22,150.00	-
Superstorm Sandy (FEMA)	583,000.00	-	583,000.00	-
Reserve for Debt Service	40,000.00	-	40,000.00	-
Total Miscellaneous Revenues	3,241,088.00	37,732.77	3,395,148.27	116,327.50
Receipts From Delinquent Taxes	452,654.00	-	644,503.29	191,849.29
Amount To Be Raised By Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	6,447,804.00	-	6,753,650.64	305,846.64
Budget Revenues	11,313,892.00	37,732.77	11,965,648.20	614,023.43
Non-Budget Revenues	-	-	452,072.44	452,072.44
	<u>\$ 11,313,892.00</u>	<u>\$ 37,732.77</u>	<u>\$ 12,417,720.64</u>	<u>\$ 1,066,095.87</u>

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, 2014**

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 50,236,526.13
Allocated To:	
School, County, and Open Space Taxes	44,472,875.49
	5,763,650.64
Add: Appropriation "Reserve for Uncollected Taxes"	990,000.00
Amount for Support of Municipal Budget Appropriations	\$ 6,753,650.64
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	\$ 644,503.29
Fees and Permits:	
Board of Health	\$ 18,662.50
Planning Board Fees	23,994.00
Board of Adjustment Fees	23,955.00
Street Opening Permits	4,100.00
CCO Inspection Fees	900.00
Fire Prevention Fees	11,500.00
Auction and Garage Sale Licenses	1,100.00
Special Events / Film Permits	30,350.00
Miscellaneous	325.00
	\$ 114,886.50
<u>Analysis of Non-Budget Revenues</u>	
TV Cable Franchise Fees	\$ 31,739.00
Mercantile Licenses	5,875.00
Police Reports	2,087.01
Prior Year Reimbursements	40,989.47
Alarm Fines	13,600.00
Antenna Tower Fees	320,508.11
Refunds	1,372.44
Hotel Tax From State	2,733.59
Recycled Scrap Metal	3,718.05
Senior Citizen/Veteran Administrative Cost	1,248.92
Police Vehicle Usage	3,432.57
Miscellaneous	24,768.28
	\$ 452,072.44

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, 2014**

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations					
Operations - Within "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 176,208.00	\$ 176,208.00	\$ 174,405.55	\$ 1,802.45	\$ -
Other Expenses	40,850.00	40,850.00	31,735.66	9,114.34	-
Mayor and Committee:					
Salaries and Wages	7,500.00	7,500.00	6,000.00	1,500.00	-
Municipal Clerk:					
Salaries and Wages	35,123.00	35,123.00	34,414.90	708.10	-
Elections:					
Other Expenses	3,100.00	3,100.00	1,466.00	1,634.00	-
Financial Administration (Treasury):					
Salaries and Wages	74,910.00	74,910.00	74,910.00	-	-
Other Expenses	24,740.00	24,740.00	23,533.64	1,206.36	-
Audit Services:					
Other Expenses	31,000.00	31,000.00	30,800.00	200.00	-
Revenue Administration (Tax Collection):					
Salaries and Wages	136,952.00	136,952.00	136,952.00	-	-
Other Expenses	4,475.00	4,475.00	4,026.42	448.58	-
Tax Assessment Administration:					
Salaries and Wages	42,156.00	42,156.00	41,898.40	257.60	-
Other Expenses	34,640.00	34,640.00	12,345.01	22,294.99	-
Legal Services (Legal Department):					
Other Expenses	140,000.00	160,000.00	150,921.94	9,078.06	-
Engineering Services:					
Other Expenses	11,500.00	11,500.00	10,241.04	1,258.96	-

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, 2014**

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved Cancelled
<b>LAND USE ADMINISTRATION</b>				
Farm Land/Open Space Commission:				
Salaries and Wages	700.00	700.00	427.50	272.50
Other Expenses	110.00	110.00	110.00	-
Historical Preservation:				
Salaries and Wages	800.00	800.00	220.00	580.00
Other Expenses	1,530.00	1,530.00	206.60	1,323.40
Planning Board:				
Salaries and Wages	134,046.00	134,046.00	132,692.17	1,353.83
Other Expenses	8,650.00	8,650.00	8,308.49	341.51
Architectural Review:				
Salaries and Wages	750.00	750.00	327.50	422.50
Other Expenses	110.00	110.00	56.60	53.40
Zoning Board of Adjustment:				
Salaries and Wages	1,200.00	1,200.00	1,199.87	0.13
Other Expenses	4,850.00	4,850.00	4,399.78	450.22
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>				
Code Enforcement Official:				
Salaries and Wages	30,592.00	30,592.00	30,567.90	24.10
Other Expenses	2,250.00	2,250.00	2,118.79	131.21
<b>INSURANCE</b>				
Unemployment Insurance	2,000.00	2,000.00	1,979.58	20.42
General Liability	206,785.00	206,785.00	206,785.00	-
Workers Compensation	301,215.00	301,215.00	295,671.00	5,544.00
Employee Group Health	784,000.00	784,000.00	751,688.74	32,311.26

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, 2014**

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved Cancelled
Health Benefit Waiver	7,500.00	7,500.00	-	7,500.00
<b>PUBLIC SAFETY</b>				
Police Department:				
Salaries and Wages	1,935,906.00	1,935,906.00	1,931,848.35	4,057.65
Other Expenses	98,175.00	108,175.00	106,121.83	2,053.17
Office of Emergency Management:				
Other Expenses	800.00	800.00	421.18	378.82
Aid To Volunteer Fire Companies	70,850.00	70,850.00	58,899.37	11,950.63
First Aid Organization - Contribution	18,000.00	18,000.00	18,000.00	-
Fire Department:				
Other Expenses	28,000.00	28,000.00	27,997.12	2.88
Fire Prevention Bureau:				
Salaries and Wages	21,470.00	21,470.00	21,470.00	-
Other Expenses	3,550.00	3,550.00	2,060.11	1,489.89
<b>PUBLIC WORKS</b>				
Streets and Road Maintenance:				
Salaries and Wages	914,412.00	894,412.00	880,540.69	13,871.31
Other Expenses	126,675.00	126,675.00	117,881.55	8,793.45
Snow Removal:				
Salaries and Wages	25,324.68	25,324.68	24,365.18	959.50
Other Expenses	307,300.00	297,300.00	209,978.50	87,321.50
Shade Tree Commission:				
Salaries and Wages	1,200.00	1,200.00	515.00	685.00
Other Expenses	3,810.00	3,810.00	3,789.50	20.50
Recycling:				
Salaries and Wages	2,000.00	2,000.00	2,000.00	-

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, 2014**

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved Cancelled
Other Expenses	87,929.59	87,929.59	81,398.07	6,531.52
Buildings and Grounds:				
Salaries and Wages	1,000.00	1,000.00	1,000.00	-
Other Expenses	70,915.00	70,915.00	66,899.31	4,015.69
Municipal Court:				
Salaries and Wages	77,925.00	76,725.00	63,115.46	13,609.54
Other Expenses	7,900.00	7,900.00	5,628.05	2,271.95
HEALTH AND HUMAN SERVICES				
Public Health Services (Board of Health):				
Salaries and Wages	100,453.00	100,453.00	100,453.00	-
Other Expenses	22,150.00	22,150.00	14,625.83	7,524.17
Environmental Commission:				
Salaries and Wages	750.00	750.00	422.50	327.50
Other Expenses	110.00	110.00	55.70	54.30
Animal Control Services:				
Other Expenses	33,000.00	33,000.00	26,277.71	6,722.29
PARK AND RECREATION				
Recreation Services and Programs:				
Salaries and Wages	199,455.00	199,455.00	195,306.90	4,148.10
Other Expenses	137,750.00	137,750.00	137,148.10	601.90
Maintenance of Parks:				
Salaries and Wages	9,000.00	9,000.00	9,000.00	-
Other Expenses	35,325.00	35,325.00	34,937.64	387.36
UNCLASSIFIED				
Municipal Alliance on Alcoholism and Drug Abuse	4,128.00	4,128.00	3,167.50	960.50

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, 2014**

	Appropriated		Expended		Reserved	Cancelled
	Original Budget	Budget After Modification	Paid or Charged			
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	37,000.00	37,000.00	36,966.69	33.31	-	-
Street Lighting	12,500.00	12,500.00	11,334.65	1,165.35	-	-
Telephone (excluding equipment acquisition)	41,500.00	42,700.00	40,944.67	1,755.33	-	-
Natural Gas	17,300.00	17,300.00	15,815.78	1,484.22	-	-
Gasoline	171,500.00	171,500.00	138,495.88	33,004.12	-	-
Accumulated Sick and Vacation	500.00	500.00	-	500.00	-	-
Surety Bond	500.00	500.00	-	500.00	-	-
Total Operations - Within "CAPS"	6,876,305.27	6,876,305.27	6,559,291.90	317,013.37	-	-
Contingent	5,000.00	5,000.00	4,891.59	108.41	-	-
Total Operations Including Contingent - Within "CAPS"	6,881,305.27	6,881,305.27	6,564,183.49	317,121.78	-	-
<b>Detail:</b>						
Salaries and Wages	3,930,332.68	3,909,132.68	3,864,052.87	45,079.81	-	-
Other Expenses (Including Contingent)	2,950,972.59	2,972,172.59	2,700,130.62	272,041.97	-	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Contribution To:						
Public Employees' Retirement System	199,492.00	199,492.00	199,492.00	-	-	-
Social Security System (O.A.S.I.)	315,000.00	315,000.00	281,815.70	33,184.30	-	-

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, 2014**

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
Police and Firemen's Retirement System of N.J.	360,820.00	360,820.00	360,820.00	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	875,312.00	875,312.00	842,127.70	33,184.30	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	7,756,617.27	7,756,617.27	7,406,311.19	350,306.08	-
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	22,150.00	22,150.00	17,736.71	4,413.29	-
LOSAP	55,000.00	55,000.00	-	55,000.00	-
INTERLOCAL MUNICIPAL AGREEMENTS					
Interlocal Service - County - 911	102,274.00	102,274.00	102,273.61	0.39	-
DECLARED STATE OF EMERGENCY COST FOR SNOW REMOVAL N.J.S.A (40a:4-45,45(b)) and 40A:4-45.39bb).	178,375.32	178,375.32	178,375.32	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities Program	-	30,577.87	30,577.87	-	-
Drug and Alcohol Abuse	22,150.00	22,150.00	22,150.00	-	-
Body Armor Fund	-	2,187.03	2,187.03	-	-
Drunk Driving Enforcement	-	4,967.87	4,967.87	-	-

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, 2014**

	Appropriated		Expended	
	Original Budget	Budget After Modification	Paid or Charged	Reserved Cancelled
Total Operations - Excluded From "CAPS"	414,819.73	452,552.50	393,138.82	59,413.68
Detail:				
Salaries and Wages	30,000.00	30,000.00	30,000.00	-
Other Expenses	384,819.73	422,552.50	363,138.82	59,413.68
Capital Improvements - Excluded From "CAPS"				
Capital Improvement Fund	346,100.00	346,100.00	346,100.00	-
Total Capital Improvements - Excluded From "CAPS"	346,100.00	346,100.00	346,100.00	-
Municipal Debt Service - Excluded From "CAPS"				
Payment of Bond Principal	719,853.00	719,853.00	719,853.00	-
Interest on Bonds	429,823.00	429,823.00	421,040.38	8,782.62
Interest on Notes	35,928.00	35,928.00	35,928.00	-
Special Emergency Note Principal (Sandy)	583,000.00	583,000.00	583,000.00	-
Special Emergency Note Interest (Sandy)	22,617.00	22,617.00	22,617.00	-
Green Acres Loan - Principal and Interest	11,134.00	11,134.00	11,130.78	3.22
Total Municipal Debt Service - Excluded From "CAPS"	1,802,355.00	1,802,355.00	1,793,569.16	8,785.84
DEFERRED CHARGES				
Emergency Authorizations				
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	4,000.00	4,000.00	4,000.00	-

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, 2014**

	Appropriated	Expended	
	Original Budget	Paid or Charged	
	Budget After Modification	Reserved	
		Cancelled	
Total Deferred Charges - Municipal - Excluded from "CAPS"	4,000.00	4,000.00	-
Total General Appropriations - Excluded From "CAPS"	2,567,274.73	2,536,807.98	59,413.68
Subtotal General Appropriations	10,323,892.00	9,943,119.17	409,719.76
Reserve for Uncollected Taxes	990,000.00	990,000.00	-
Total General Appropriations	\$ 11,313,892.00	\$ 10,933,119.17	\$ 409,719.76
Added by N.J.S. 40A:4-87	\$ 37,732.77		
Original Budget	\$ 11,313,892.00		
	\$ 11,351,624.77		
Reserve for Uncollected Taxes		\$ 990,000.00	
Cash Disbursements		9,275,066.52	
Deferred Charges:			
Special Emergency		587,000.00	
State Grants - Appropriated		59,882.77	
Encumbrances Payable		21,169.88	
		\$ 10,933,119.17	

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

**TOWNSHIP OF COLTS NECK  
TRUST FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	<u>2014</u>	<u>2013</u>
Animal Control Fund:			
Cash	B-1	\$ 7,322.02	\$ 6,203.31
Due from State	B-3	<u>-</u>	<u>5.00</u>
		<u>7,322.02</u>	<u>6,208.31</u>
Trust - Other Fund			
Cash	B-1	<u>4,654,008.83</u>	<u>4,499,374.96</u>
		<u>4,654,008.83</u>	<u>4,499,374.96</u>
Length of Service of Award Program Fund ("LOSAP") - Reviewed:			
Investments	B-7	<u>636,004.65</u>	<u>597,515.86</u>
Total Assets		<u>\$ 5,297,335.50</u>	<u>\$ 5,103,099.13</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	<u>\$ 7,322.02</u>	<u>\$ 6,208.31</u>
Total Animal Control Fund		<u>7,322.02</u>	<u>6,208.31</u>
Trust - Other Fund:			
Reserve for Various Trusts	B-5,B-6	<u>4,654,008.83</u>	<u>4,499,374.96</u>
		<u>4,654,008.83</u>	<u>4,499,374.96</u>
Length of Service Award Program Fund ("LOSAP") - Reviewed:			
Miscellaneous Reserves	B-8	<u>636,004.65</u>	<u>597,515.86</u>
Total Other Trust Funds		<u>636,004.65</u>	<u>597,515.86</u>
Total		<u>\$ 5,297,335.50</u>	<u>\$ 5,103,099.13</u>

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

**TOWNSHIP OF COLTS NECK  
GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Cash	C-2,C-3	\$ 820,814.01	\$ 7,879,870.13
Deferred Charges to Future Taxation:			
Funded	C-4	11,497,373.70	12,362,139.25
Unfunded	C-5	750,500.00	712,500.00
Grants and Intergovernmental Receivable	C-13	62,500.00	250,000.00
		<u>        </u>	<u>        </u>
Total Assets		<u>\$ 13,131,187.71</u>	<u>\$ 21,204,509.38</u>
LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-6	\$ 11,425,000.00	\$ 12,284,000.00
Bond Anticipation Notes	C-7	-	4,330,991.00
Green Trust Loan Payable	C-8	72,373.70	81,913.67
Improvement Authorizations:			
Funded	C-9	632,339.70	3,552,217.32
Unfunded	C-9	750,500.00	712,500.00
Capital Improvement Fund	C-10	140,729.00	92,729.00
Reserve for:			
Debt Service	C-11	102,808.68	142,808.68
Purchase of Fire Truck	C-12	3,494.50	7,182.00
Fund Balance	C-1	3,942.13	167.71
		<u>        </u>	<u>        </u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 13,131,187.71</u>	<u>\$ 21,204,509.38</u>

There were bonds and notes authorized but not issued at December 31, 2014 of \$750,500.00 and of December 31, 2013 of \$712,500.00.

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

Balance, December 31, 2013	\$ 167.71
Increased By:	
Adjustment to Deferred Charges - Funded	<u>3,774.42</u>
Balance, December 31, 2014	<u><u>\$ 3,942.13</u></u>

**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, 2014 AND 2013**

	<u>Reference</u>	Balance December 31, <u>2014</u>	Balance December 31, <u>2013</u>
Land	D-1	\$ 19,756,477.69	\$ 19,695,421.69
Buildings and Improvements	D-2	3,836,715.00	3,716,229.00
Machinery, Equipment and Vehicles	D-3	<u>7,324,765.00</u>	<u>6,009,737.00</u>
Total General Fixed Assets		<u>\$ 30,917,957.69</u>	<u>\$ 29,421,387.69</u>
Investment in General Fixed Assets		<u>\$ 30,917,957.69</u>	<u>\$ 29,421,387.69</u>

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

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**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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## TOWNSHIP OF COLTS NECK

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### 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.

##### 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.

## TOWNSHIP OF COLTS NECK

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

## TOWNSHIP OF COLTS NECK

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2014

#### 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.

## TOWNSHIP OF COLTS NECK

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2014

#### 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, 2013 and decreased by the amount deferred at December 31, 2014.

**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.

## TOWNSHIP OF COLTS NECK

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED): FOR THE YEAR ENDED DECEMBER 31, 2014

#### 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.

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**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, 2014, and reported at fair value are as follows:

Type	Carrying Value
<b>Deposits</b>	
Demand Deposits	<u>\$ 18,527,536.93</u>
Total Deposits	<u><u>\$ 18,527,536.93</u></u>
<b>Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:</b>	
Current Fund	\$ 12,951,212.83
Grant Fund	94,179.24
Animal Control Trust Fund	7,322.02
Trust - Other Fund	4,654,008.83
General Capital Fund	<u>820,814.01</u>
Total Cash	<u><u>\$ 18,527,536.93</u></u>

**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.

As of December 31, 2014, the Township's bank balances of \$18,662,799.50 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$ 3,721,338.87
Insured Under F.D.I.C.	1,265,166.31
Collateralized Under GUDPA	13,506,048.44
New Jersey Cash Management Fund	<u>170,245.88</u>
Total	<u><u>\$ 18,662,799.50</u></u>

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**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, 2014 the Township’s balance of investments was \$636,004.65, which consisted of mutual funds for the Township’s Length of Service Awards Program in the amount of \$636,004.65, 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, 2014 balance of \$636,004.65, \$636,004.65 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**

	2014	2013	2012
Total Tax Rate	<u>\$1.687</u>	<u>\$1.618</u>	<u>\$1.570</u>
Apportionment of Tax Rate:			
Municipal	0.226	0.215	0.206
County	0.309	0.309	0.294
Local School District	0.705	0.686	0.680
Regional High School	0.447	0.408	0.390

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note: 4: Property Taxes (continued):**

**Net Valuation Taxable:**

2014	\$ 3,018,022,351				
2013		\$ 3,049,072,334			
2012			\$ 3,068,215,375		

**Comparison of Tax Levies and Collection Currently**

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2014	\$ 50,963,105.92	\$ 50,236,526.13	98.57%
2013	49,520,713.55	48,556,792.65	98.05%
2012	48,247,648.13	47,388,398.02	98.22%

**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
2014	\$ 30,893.81	\$ 437,163.02	\$ 468,056.83	0.92%
2013	29,714.60	638,144.79	667,859.39	1.35%
2012	27,114.80	637,947.32	665,062.12	1.38%

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**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
2014	\$ 169,000.00
2013	169,000.00
2012	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
<b>CURRENT FUND:</b>			
2014	\$ 1,683,349.59	**	**
2013	1,726,217.91	1,250,000.00	72.41%
2012	1,568,760.06	994,000.00	63.36%
2011	1,763,843.16	1,086,000.00	61.57%
2010	1,359,413.47	1,010,000.00	74.30%

\*\*2015 budget not adopted as of this date

**Note 7: Pension Plans**

The Township contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 7: Pension Plans (continued):**

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.0% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<b>Fiscal Year</b>	<b>Normal Contribution</b>	<b>Accrued Liability</b>	<b>Other Liability</b>	<b>Total Liability</b>	<b>Funded by Township</b>
2014	\$ 36,348.00	\$ 159,808.00	\$ 3,336.00	\$ 199,492.00	\$ 199,492.00
2013	61,173.00	146,266.00	12,346.00	219,785.00	219,785.00
2012	76,870.00	153,740.00	14,693.00	245,303.00	245,303.00

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 10.0% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 7: Pension Plans (continued):**

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<b>Fiscal Year</b>	<b>Normal Contribution</b>	<b>Accrued Liability</b>	<b>Other Liability</b>	<b>Total Liability</b>	<b>Funded by Township</b>
2014	\$ 109,437.00	\$ 236,853.00	\$ 14,530.00	\$ 360,820.00	\$ 360,820.00
2013	144,230.00	240,077.00	17,407.00	401,714.00	401,714.00
2012	169,839.00	250,358.00	17,319.00	437,516.00	437,516.00

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

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

As of December 31, 2014, 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.

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Compensated Absences (continued):**

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, 2014, accrued benefits for compensated absences are valued at \$239,307.45.

**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:

	Local District School Tax		Regional High School Tax	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Balance of Tax	\$ 7,693,396.17	\$ 7,557,542.97	\$ 6,478,382.73	\$ 5,968,760.03
Deferred	2,826,100.00	2,826,100.00	1,523,600.00	1,523,600.00
Tax Payable	\$ 4,867,296.17	\$ 4,731,442.97	\$ 4,954,782.73	\$ 4,445,160.03

**Note 11. Interfunds Receivables and Payables**

No interfund balances exist at December 31, 2014.

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**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.

**Issued & Outstanding:**

General Bonds, Loans and Notes	\$ 11,497,373.70	\$ 16,696,904.67	\$ 11,310,256.70
	<hr/>	<hr/>	<hr/>
Total Debt Issued	11,497,373.70	16,696,904.67	11,310,256.70
	<hr/>	<hr/>	<hr/>

**Authorized But Not Issued:**

General Bonds and Notes	750,500.00	712,500.00	712,500.00
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	750,500.00	712,500.00	712,500.00
	<hr/>	<hr/>	<hr/>

Deductions:

Farmland Trust Fund	2,207,837.60	2,281,255.60	2,447,102.60
Reserve for Debt Service	102,808.68	142,808.68	142,808.68
Funds Temporarily Held to Play			
Bonds and Notes		4,334,765.42	3,774.42
		<hr/>	<hr/>

Total Deductions	2,310,646.28	6,758,829.70	2,593,685.70
	<hr/>	<hr/>	<hr/>

<b>Total Net Debt</b>	<b>\$ 9,937,227.42</b>	<b>\$ 10,650,574.97</b>	<b>\$ 9,429,071.00</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 12. Capital Debt (continued):**

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.323%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 16,225,000.00	\$ 16,225,000.00	\$ -
Regional School District Debt	2,845,869.90	2,845,869.90	-
General Debt	12,247,873.70	2,310,646.28	9,937,227.42
Total	\$ 31,318,743.60	\$ 21,381,516.18	\$ 9,937,227.42

Net Debt, \$9,937,227.42 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$3,073,303, equals 0.323%

**Borrowing Power Under 40A:2-6:**

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 107,565,635.44
Net Debt	<u>9,937,227.42</u>
Remaining Borrowing Power	<u><u>\$ 97,628,408.02</u></u>

**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:

	<u>GENERAL DEBT</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 905,000.00	\$ 508,500.00	\$ 1,413,500.00
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
2020-2024	4,385,000.00	1,070,700.00	5,455,700.00
2025-2028	2,135,000.00	273,500.00	2,408,500.00
Total	\$ 11,425,000.00	\$ 3,507,300.00	\$ 14,932,300.00

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**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:

<b><u>GREEN ACRES TRUST LOANS</u></b>			
<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2015	\$ 9,731.74	\$ 1,399.07	\$ 11,130.81
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
2020-2023	21,719.24	573.45	22,292.69
Total	\$ 72,373.70	\$ 5,572.94	\$ 77,946.64

**C. Bond Anticipation Notes**

The Township had no Bond Anticipation Notes outstanding at December 31, 2014.

**D. Bonds and Notes Authorized But Not Issued**

At December 31, 2014, the Township of Colts Neck had \$750,500.00 authorized but not issued bonds and notes.

During the fiscal year ended December 31, 2014 the following changes occurred in capital debt:

	<b>December 31, 2013</b>	<b>Accrued/ Increases</b>	<b>Retired/ Decreases</b>	<b>December 31, 2014</b>	<b>Due Within One Year</b>
<b>General Capital Fund:</b>					
General Serial Bonds	12,284,000.00	-	(859,000.00)	11,425,000.00	905,000.00
Green Trust Loans Payable	81,913.67	-	(9,539.97)	72,373.70	9,731.74
Bond Anticipation Notes	4,330,991.00	-	(4,330,991.00)	-	-
Authorized but Not Issued	712,500.00	38,000.00	-	750,500.00	-
Total General Capital	17,409,404.67	38,000.00	(5,199,530.97)	12,247,873.70	914,731.74

**TOWNSHIP OF COLTS NECK**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 13. Special Emergency Notes**

The Township had a Special Emergency Note outstanding at December 31, 2014 in the amount of \$554,100.00. The notes bear an interest rate of 1.0% and mature on 11/13/2015. 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, 2014, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	Balance 12/31/2014	2015 Budget Appropriation
Current Fund:		
Special Emergency Authorization (N.J.S.A. 40A: 4-53)	\$ 4,000.00	**
Special Emergency Authorization (N.J.S.A. 40A: 4-54) - Superstorm Sandy	1,117,000.00	**

\*\*2015 budget not adopted as of this date

**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:

<u>Fiscal Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ -	\$ -	\$ 310.82
2013	-	-	310.82
2012	-	-	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.

**SUPPLEMENTARY EXHIBITS**

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**CURRENT FUND**

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**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CHANGE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Office</u>	Balance December 31, <u>2014 &amp; 2013</u>
Tax Collector	\$ 200.00
Municipal Court Clerk	<u>300.00</u>
	<u>\$ 500.00</u>

**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, 2014**

Balance, December 31, 2013		\$ 250.00
Increased By:		
Senior Citizens' Deductions Per Tax Billing	\$ 4,000.00	
Veterans' Deductions Per Tax Billing	58,000.00	
Deductions Allowed By Collector:		
2014 Taxes	<u>500.00</u>	
		<u>62,500.00</u>
		62,750.00
Decreased By:		
Cash Receipts	62,445.89	
2014 Senior Citizens' Deductions		
Disallowed	<u>1,054.11</u>	
		<u>63,500.00</u>
Balance, December 31, 2014		<u><u>\$ (750.00)</u></u>

**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, 2014**

Year	Balance December 31, 2013	2014 Levy	Added Taxes	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transferred To Tax Title Liens	Cancellations and Adjustments	Balance December 31, 2014
				2013	2014				
2010	\$ 4,174.25	\$ -	\$ -	\$ -	\$ 4,174.25	\$ -	\$ -	\$ -	\$ -
2011	12,492.09	-	-	-	12,492.09	-	-	-	-
2012	13,416.21	-	-	-	13,416.21	-	-	-	-
2013	608,062.24	-	6,358.50	-	614,420.74	-	-	-	-
2014	-	50,963,105.92	-	415,397.93	49,759,682.31	61,445.89	1,179.21	288,237.56	437,163.02
	\$ 638,144.79	\$ 50,963,105.92	\$ 6,358.50	\$ 415,397.93	\$ 50,404,185.60	\$ 61,445.89	\$ 1,179.21	\$ 288,237.56	\$ 437,163.02

Analysis of Property Tax Levy

<u>Tax Yield:</u>	
General Purpose Tax	\$ 50,914,038.82
Added Taxes	<u>49,067.10</u>
	<u>\$ 50,963,105.92</u>
<u>Tax Levy:</u>	
Open Space Tax	362,380.00
County Taxes	9,334,335.96
County Taxes Added	8,992.53
Local School Tax	21,270,536.00
Regional School Tax	<u>13,496,631.00</u>
	<u>\$ 44,472,875.49</u>
Tax for Municipal Purposes	6,447,804.00
Additional Taxes Added	<u>42,426.43</u>
	<u>6,490,230.43</u>
	<u>\$ 50,963,105.92</u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 29,714.60
Increased By:	
Transfers From Taxes Receivable	<u>1,179.21</u>
Balance, December 31, 2014	<u><u>\$ 30,893.81</u></u>

**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, 2014**

Balance, December 31, 2014 & 2013

\$ 169,000.00

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Year</u>	<u>Description</u>	<u>Amount</u>	Balance December 31, <u>2013</u>	Raised in 2014 <u>Budget</u>	Balance December 31, <u>2014</u>
<u>Special Emergency Authorization:</u>					
<u>N.J.S.A. 40A:4-53:</u>					
2010	Revaluation	\$ 20,000.00	\$ 8,000.00	\$ 4,000.00	\$ 4,000.00
<u>N.J.S.A. 40A:4-54:</u>					
2012	Superstorm Sandy	2,500,000.00	1,700,000.00	583,000.00	1,117,000.00
			<u>\$ 1,708,000.00</u>	<u>\$ 587,000.00</u>	<u>\$ 1,121,000.00</u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Accrued in <u>2014</u>	Collected in <u>2014</u>	Balance December 31, <u>2014</u>
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 15,188.00	\$ 15,188.00	\$ -
Fees and Permits	-	114,886.50	114,886.50	-
Fines and Costs:				
Municipal Court	14,297.34	209,240.41	206,411.11	17,126.64
Interest and Costs on Taxes	-	144,292.92	144,292.92	-
Interest on Investments and Deposits	-	32,240.18	32,240.18	-
Recreation Fees	-	218,308.79	218,308.79	-
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	-	40,000.00	40,000.00	-
	<u>\$ 14,297.34</u>	<u>\$ 2,755,094.80</u>	<u>\$ 2,752,265.50</u>	<u>\$ 17,126.64</u>

**TOWNSHIP OF COLTS NECK  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF DUE TO OPEN SPACE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
2014 Levy	<u>362,380.00</u>
	362,380.00
Decreased By:	
Disbursed To Trust Fund	<u>362,380.00</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>				
General Administration:				
Salaries and Wages	\$ 0.65	\$ 0.65	\$ -	\$ 0.65
Other Expenses	8,720.32	8,720.32	2,685.50	6,034.82
Municipal Clerk:				
Salaries and Wages	0.21	0.21	-	0.21
Elections:				
Other Expenses	673.18	173.18	-	173.18
Financial Administration (Treasury):				
Salaries and Wages	38.47	38.47	-	38.47
Other Expenses	321.56	388.40	366.84	21.56
Audit Services:				
Other Expenses	200.00	200.00	-	200.00
Revenue Administration (Tax Collection):				
Salaries and Wages	217.86	217.86	-	217.86
Other Expenses	191.68	441.68	425.00	16.68
Tax Assessment Administration:				
Salaries and Wages	705.07	705.07	-	705.07
Other Expenses	5,870.01	5,870.01	-	5,870.01
Legal Services (Legal Department):				
Other Expenses	79.21	10,179.21	10,080.50	98.71
Engineering Services:				
Other Expenses	559.99	809.99	806.50	3.49
<b>LAND USE ADMINISTRATION</b>				
Farm Land/Open Space Commission:				
Salaries and Wages	500.00	500.00	-	500.00
Other Expenses	130.00	130.00	-	130.00
Historical Preservation:				
Salaries and Wages	340.00	340.00	-	340.00
Other Expenses	403.14	403.14	-	403.14
Planning Board:				
Salaries and Wages	276.68	276.68	-	276.68
Other Expenses	28.20	28.20	26.00	2.20
Architectural Review:				
Other Expenses	23.00	23.00	-	23.00
Zoning Board of Adjustment:				
Salaries and Wages	2.11	2.11	-	2.11
Other Expenses	1,376.17	1,376.17	-	1,376.17
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>				
Code Enforcement Official:				
Other Expenses	1,884.95	1,884.95	-	1,884.95

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>INSURANCE</b>				
General Liability	23,759.10	23,759.10	7,500.00	16,259.10
<b>PUBLIC SAFETY</b>				
Police Department:				
Salaries and Wages	5,084.73	6,884.73	6,284.79	599.94
Other Expenses	9,164.65	13,205.27	10,798.45	2,406.82
Office of Emergency Management:				
Other Expenses	466.00	466.00	-	466.00
Aid To Volunteer Fire Companies	10,569.58	11,964.58	11,484.51	480.07
Fire Department:				
Other Expenses	1,246.07	1,246.07	54.80	1,191.27
Fire Prevention Bureau:				
Salaries and Wages	52.86	52.86	-	52.86
Other Expenses	1,145.28	1,463.68	358.30	1,105.38
<b>PUBLIC WORKS</b>				
Streets and Road Maintenance:				
Salaries and Wages	1,917.71	917.71	(582.29)	1,500.00
Other Expenses	1,344.37	5,175.67	5,175.67	-
Snow Removal:				
Salaries and Wages	8,906.17	8,906.17	8,906.17	-
Other Expenses	8,561.29	6,951.28	6,951.28	-
Shade Tree Commission:				
Other Expenses	2,611.08	2,611.08	-	2,611.08
Recycling:				
Salaries and Wages	2.50	2.50	-	2.50
Other Expenses	6,539.22	6,539.22	6,539.22	-
Buildings and Grounds:				
Other Expenses	5,776.29	5,776.29	5,769.22	7.07
Municipal Court:				
Salaries and Wages	2,634.71	2,634.71	120.00	2,514.71
Other Expenses	123.79	218.79	95.00	123.79
<b>HEALTH AND HUMAN SERVICES</b>				
Public Health Services (Board of Health):				
Other Expenses	4,068.50	2,737.50	2,269.00	468.50
Environmental Commission:				
Salaries and Wages	340.00	340.00	-	340.00
Other Expenses	58.00	58.00	-	58.00
Animal Control Services:				
Other Expenses	3,241.91	3,376.91	2,978.21	398.70

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>PARK AND RECREATION</b>				
Recreation Services and Programs:				
Salaries and Wages	594.35	594.35	-	594.35
Other Expenses	9,845.58	10,472.06	7,972.06	2,500.00
Maintenance of Parks:				
Other Expenses	1,227.58	1,227.58	1,036.24	191.34
<b>UNCLASSIFIED</b>				
Municipal Alliance on Alcoholism and Drug Abuse	496.00	496.00	-	496.00
<b>UTILITY EXPENSES AND BULK PURCHASES</b>				
Electricity	9,771.18	9,771.18	6,809.18	2,962.00
Street Lighting	2,655.68	2,655.68	649.65	2,006.03
Telephone (excluding equipment acquisition)	13.58	1,513.58	119.88	1,393.70
Natural Gas	2,907.86	2,907.86	2,305.04	602.82
Gasoline	37,780.70	37,780.70	27,928.23	9,852.47
<b>STATUTORY EXPENDITURES</b>				
Contribution To:				
Social Security System (O.A.S.I.)	19,506.83	11,606.83	-	11,606.83
Aid To Library (N.J.S.A. 40:54-35):				
Other Expenses	2,528.66	3,194.19	667.52	2,526.67
LOSAP	55,000.00	55,000.00	42,980.00	12,020.00
<b>INTERLOCAL MUNICIPAL AGREEMENTS</b>				
Interlocal Service - County - 911	178.80	178.80	-	178.80
Total General Appropriations	<u>\$ 262,663.07</u>	<u>\$ 275,396.23</u>	<u>\$ 179,560.47</u>	<u>\$ 95,835.76</u>
2013 Appropriations Reserves		\$ 262,663.07		
Encumbrances Payable		<u>12,733.16</u>		
		<u>\$ 275,396.23</u>		

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 36,253.07
Decreased By:		
Cash Disbursements	\$ 20,000.00	
Cancellations	<u>129.07</u>	
		<u>20,129.07</u>
Balance, December 31, 2014		<u><u>\$ 16,124.00</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 12,733.16
Increased By:	
2014 Budget Appropriations	<u>21,169.88</u>
	33,903.04
Decreased By:	
Transfer To Appropriation Reserves	<u>12,733.16</u>
Balance, December 31, 2014	<u><u>\$ 21,169.88</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 415,397.93
Increased By:	
Cash Receipts:	
Collection of 2015 Taxes	<u>660,371.70</u>
	1,075,769.63
Decreased By:	
Amount Applied To 2014 Taxes Receivable	<u>415,397.93</u>
Balance, December 31, 2014	<u><u>\$ 660,371.70</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ -
Increased By:		
2014 Tax Levy:		
County Tax	\$ 8,347,267.83	
County Library Tax	531,971.96	
County Open Space Fund Tax	<u>455,096.17</u>	
		<u>9,334,335.96</u>
		9,334,335.96
Decreased By:		
Cash Disbursements		<u>9,334,335.96</u>
Balance, December 31, 2014		<u><u>\$ -</u></u>

**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, 2014**

Balance, December 31, 2013	\$ 30,811.47
Increased By:	
County Share of 2014 Tax Levy:	
Added and Omitted Taxes	<u>8,992.53</u>
	39,804.00
Decreased By:	
Cash Disbursements	<u>30,811.47</u>
Balance, December 31, 2014	<u><u>\$ 8,992.53</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013:		
School Tax Payable	\$ 4,731,442.97	
School Tax Deferred	<u>2,826,100.00</u>	\$ 7,557,542.97
Increased By:		
Levy (School Year July 1, 2014 to June 30, 2015)		<u>21,270,536.00</u>
		28,828,078.97
Decreased By:		
Cash Disbursements		<u>21,134,682.80</u>
Balance, December 31, 2014:		
School Tax Payable	4,867,296.17	
School Tax Deferred	<u>2,826,100.00</u>	<u>\$ 7,693,396.17</u>
 <u>2014 Liability for Local District School Tax</u>		
Tax Payable, December 31, 2014		\$ 4,867,296.17
Tax Paid		<u>21,134,682.80</u>
		26,001,978.97
Less:		
Tax Payable, December 31, 2013		<u>4,731,442.97</u>
Amount Charged To 2014 Operations		<u>\$ 21,270,536.00</u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013:			
School Tax Payable	\$ 4,445,160.03		
School Tax Deferred	<u>1,523,600.00</u>		
			\$ 5,968,760.03
Increased By:			
Levy (School Year July 1, 2014 to June 30, 2015)			<u>13,496,631.00</u>
			19,465,391.03
Decreased By:			
Cash Disbursements			<u>12,987,008.30</u>
Balance, December 31, 2014:			
School Tax Payable	4,954,782.73		
School Tax Deferred	<u>1,523,600.00</u>		
			<u>\$ 6,478,382.73</u>
 <u>2014 Liability for Regional High School Tax</u>			
Tax Payable, December 31, 2014			\$ 4,954,782.73
Tax Paid			<u>12,987,008.30</u>
			17,941,791.03
Less:			
Tax Payable, December 31, 2013			<u>4,445,160.03</u>
Amount Charged To 2014 Operations			<u>\$ 13,496,631.00</u>

**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, 2014**

<u>Description</u>	Balance December 31, <u>2013</u>	Cash <u>Received</u>	Cash <u>Disbursed</u>	Balance December 31, <u>2014</u>
Due To State - Marriage Licenses	\$ 150.00	\$ 900.00	\$ 875.00	\$ 175.00
	<u>\$ 150.00</u>	<u>\$ 900.00</u>	<u>\$ 875.00</u>	<u>\$ 175.00</u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Description</u>	Balance December 31, <u>2013</u>	<u>Increased</u>	Realized as <u>Revenue</u>	Balance December 31, <u>2014</u>
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	12,500.00	1,000.00	-	13,500.00
FEMA Proceeds	573,223.32	699,573.01	583,000.00	689,796.33
State Library Aid	346.51	-	-	346.51
	<hr/>			
	\$ 761,673.28	\$ 700,573.01	\$ 583,000.00	\$ 879,246.29
	<hr/> <hr/>			

**TOWNSHIP OF COLTS NECK**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Resolution Number</u>	<u>Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2014</u>
2012-139/154	Extraordinary Expenses Resulting from Damage Caused by Superstorm Sandy	12/21/12	11/13/15	1.0%	\$ 1,134,000.00	\$ 554,100.00	\$ 1,134,000.00	\$ 554,100.00

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
Overpayments	<u>14,083.23</u>
	14,083.23
Decreased By:	
Overpayments Refunded	<u>7,724.73</u>
Balance, December 31, 2014	<u><u>\$ 6,358.50</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF STATE GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Increased By		<u>Cancelled</u>	Balance December 31, <u>2014</u>
		Revenue Realized <u>2014</u>	Cash <u>Receipts</u>		
Municipal Alliance on Drug and Alcohol Abuse	\$ 10,615.21	\$ 22,150.00	\$ 9,756.37	\$ 6,943.84	\$ 16,065.00
Clean Communities Grant	-	30,577.87	30,577.87	-	-
Drunk Driving Grant Enforcement Grant	-	4,967.87	4,967.87	-	-
Body Armor Fund	-	2,187.03	2,187.03	-	-
	<u>\$ 10,615.21</u>	<u>\$ 59,882.77</u>	<u>\$ 47,489.14</u>	<u>\$ 6,943.84</u>	<u>\$ 16,065.00</u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Grant</u>	Balance December 31, <u>2013</u>	Transferred From 2014 <u>Appropriations</u>	<u>Reimbursed</u>	<u>Expended</u>	<u>Cancelled</u>	Balance December 31, <u>2014</u>
Body Armor Fund - 2011	\$ 77.93	\$ -	\$ -	77.93	\$ -	\$ -
Body Armor Fund - 2012	2,251.31	-	-	598.07	-	1,653.24
Body Armor Fund - 2013	-	2,187.03	-	-	-	2,187.03
Drunk Driving Enforcement Fund - 2011	6,335.96	-	-	2,994.40	-	3,341.56
Drunk Driving Enforcement Fund - 2012	4,108.76	-	-	1,372.46	-	2,736.30
Drunk Driving Enforcement Fund - 2014	-	4,967.87	-	-	-	4,967.87
Recycling Tonnage Grant - 2012	27,463.13	-	-	27,463.13	-	-
Recycling Tonnage Grant - 2013	21,528.92	-	-	21,528.92	-	-
Clean Communities Program - 2011	300.00	-	-	300.00	-	-
Clean Communities Program - 2013	24,718.94	-	-	24,718.94	-	-
Clean Communities Program - 2014	-	30,577.87	-	18,062.38	-	12,515.49
Municipal Alliance on Drug and Alcohol Abuse - 2012	2,599.21	-	2,500.00	-	5,099.21	-
Municipal Alliance on Drug and Alcohol Abuse - 2013	3,844.63	-	-	2,500.00	1,344.63	-
Municipal Alliance on Drug and Alcohol Abuse - 2014	-	22,150.00	-	16,726.00	-	5,424.00
Health Performance Quality Improvement Grant - 2012	1,102.09	-	-	267.59	-	834.50
	<u>\$ 94,330.88</u>	<u>\$ 59,882.77</u>	<u>\$ 2,500.00</u>	<u>\$ 116,609.82</u>	<u>\$ 6,443.84</u>	<u>\$ 33,659.99</u>

**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, 2014**

<u>Grant</u>	Balance December 31, <u>2013</u>	Cash <u>Receipts</u>	Transferred To Grants <u>Receivable</u>	Balance December 31, <u>2014</u>
Recycling Tonnage Grant	\$ -	\$ 76,584.25	\$ -	\$ 76,584.25

**TRUST FUNDS**

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**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Animal Control</u>	<u>Trust - Other</u>
Balance, December 31, 2013	\$ 6,203.31	\$ 4,499,374.96
Increased By Receipts:		
Dog License Fees - Municipal Share	4,325.00	-
Dog License Fees - State Portion	661.20	-
Due To Third Parties	-	257,693.39
Reserve for Various Trusts	-	8,309,094.43
Reserve for Farmland Preservation	-	367,485.89
	<u>4,986.20</u>	<u>8,934,273.71</u>
	<u>11,189.51</u>	<u>13,433,648.67</u>
Decreased By Disbursements:		
Expenditures Under R.S. 4:19-15.11	3,211.29	-
Dog License Fees - State Portion	656.20	-
Due To Third Parties	-	257,693.39
Reserve for Various Trusts	-	8,124,135.84
Reserve for Farmland Preservation	-	397,810.61
	<u>3,867.49</u>	<u>8,779,639.84</u>
Balance, December 31, 2014	<u>\$ 7,322.02</u>	<u>\$ 4,654,008.83</u>

**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, 2014**

Balance, December 31, 2013	\$ 6,208.31
Increased By:	
Dog License Fees Collected - Municipal Share	<u>4,325.00</u>
	10,533.31
Decreased By:	
Expenditures Under R.S. 4:19-15.11	<u>3,211.29</u>
Balance, December 31, 2014	<u><u>\$ 7,322.02</u></u>

License Fees Collected:

2012 Fees	\$ 4,715.40
2013 Fees	<u>4,554.40</u>
	<u><u>\$ 9,269.80</u></u>

**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, 2014**

Balance, December 31, 2013	\$ 5.00
Increased By:	
Payments	<u>656.20</u>
	661.20
Decreased By:	
2014 License Fees	<u>661.20</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF DUE TO THIRD PARTIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
Cash Receipts	<u>257,693.39</u>
	257,693.39
Decreased By:	
Cash Disbursements	<u>257,693.39</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF RESERVE FOR VARIOUS TRUSTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Cash <u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2014</u>
Montrose Road Schoolhouse				
Donations	\$ 1,317.49	\$ -	\$ 533.94	\$ 783.55
Historical Preservation	12,125.89	1,658.00	1,884.43	11,899.46
Uniform Fire Safety Act Penalties	2,736.98	7,259.20	54.21	9,941.97
Law Enforcement Trust Fund	660.61	0.31	354.90	306.02
Schlesinger Estate	34,661.93	-	-	34,661.93
Unemployment Trust Fund	310.82	-	-	310.82
Tax Collector Trust Fund	358,800.00	707,164.73	676,664.73	389,300.00
Construction Code Fees	185,122.91	313,635.83	311,874.14	186,884.60
Tree Removal	436.94	-	-	436.94
Senior Center Donations	32,799.51	124.31	-	32,923.82
Donations to the Library	889.45	-	-	889.45
Snow Removal	29,413.25	3,295.69	17,263.84	15,445.10
Bid Opening	4,560.00	-	-	4,560.00
P.O.A.A. Fines	235.00	-	-	235.00
Public Defender	345.00	1,600.00	1,945.00	-
S.C.A.R.T.	2,240.00	2,140.00	320.00	4,060.00
Police Donations	12,983.55	3,000.00	865.37	15,118.18
County DWI Task Force	1,966.39	-	-	1,966.39
Fair Housing	18,531.90	-	-	18,531.90
COAH	508,205.76	89,663.14	14,277.14	583,591.76
Developers' Fees for Engineering and Cash Performance Bonds	2,712,476.96	258,413.75	178,047.91	2,792,842.80
Payroll Agency	-	5,449,917.93	5,449,917.93	-
Medical Insurance	-	1,467,075.46	1,466,001.30	1,074.16
Alliance Against Substance Abuse	2,051.71	3.83	245.00	1,810.54
Flexible Spending Account	1,780.37	4,142.25	3,886.00	2,036.62
	<u>\$ 3,924,652.42</u>	<u>\$ 8,309,094.43</u>	<u>\$ 8,124,135.84</u>	<u>\$ 4,109,611.01</u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF RESERVE FOR FARMLAND PRESERVATION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 574,722.54
Increased By:		
2014 Budget Levy	\$ 362,380.00	
Cash Receipts	<u>5,105.89</u>	
		<u>367,485.89</u>
		942,208.43
Decreased By:		
Payment of Bond Principal	139,147.00	
Interest on Bonds	97,368.00	
Interest on Notes	7,302.00	
Other Expenses	<u>153,993.61</u>	
		<u>397,810.61</u>
Balance, December 31, 2014		<u><u>\$ 544,397.82</u></u>

**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, 2014**

Balance, December 31, 2013		\$ 597,515.86
Increased By:		
Township Contributions	\$ -	
Appreciation on Investments	<u>42,891.23</u>	<u>42,891.23</u>
		640,407.09
Decreased By:		
Withdrawals	2,277.44	
Accounting Charges	<u>2,125.00</u>	<u>4,402.44</u>
Balance, December 31, 2014		<u><u>\$ 636,004.65</u></u>

**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, 2014**

Balance, December 31, 2013		\$ 597,515.86
Increased By:		
Appreciation on Investments	<u>42,891.23</u>	<u>42,891.23</u>
		640,407.09
Decreased By:		
Withdrawals	\$ 2,277.44	
Accounting Charges	<u>2,125.00</u>	<u>4,402.44</u>
Balance, December 31, 2014		<u><u>\$ 636,004.65</u></u>

**GENERAL CAPITAL FUND**

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**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 7,879,870.13
Increased By:		
Budget Appropriations:		
Capital Improvement Fund	\$ 346,100.00	
Reserve for Purchase of Fire Truck	46,312.50	
NJ DOT Grant Received	<u>187,500.00</u>	
		<u>579,912.50</u>
		8,459,782.63
Decreased By:		
Bond Anticipation Notes	\$ 4,330,991.00	
Improvement Authorizations	3,217,977.62	
Reserve for Debt Service	40,000.00	
Reserve for Purchase of Fire Truck	<u>50,000.00</u>	
		<u>7,638,968.62</u>
Balance, December 31, 2014		<u><u>\$ 820,814.01</u></u>

**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, 2014**

	Balance December 31, <u>2014</u>
Capital Improvement Fund	\$ 140,729.00
Fund Balance	3,942.13
Grant Receivable	(62,500.00)
Reserve for:	
Purchase of Fire Truck	3,494.50
Debt Service	102,808.68

<u>Ordinance Date/Number</u>	<u>Improvement Description</u>	
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	58,252.86
2011-09	Various Capital Improvements/Equipment	65,786.23
2012-10	Various Capital Improvements/Equipment	9,445.50
2013-07	Various Capital Improvements/Equipment	3,726.13
2013-10	Various Road Improvements/Acq. of Equipment	203,654.75
2014-05	Various Capital Improvement/Equipment	2,000.00
2014-12	Various Capital Improvement/Equipment	57,356.07
		\$ 820,814.01

**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, 2014**

Balance, December 31, 2013		\$ 12,362,139.25
Increased By:		
Adjustment		3,774.42
		12,365,913.67
Decreased By:		
Bonds Paid By Budget Appropriations:		
General Serial Bonds	\$ 859,000.00	
Green Trust Loans	9,539.97	
		868,539.97
Balance, December 31, 2014		\$ 11,497,373.70

**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, 2014**

Ordinance Date/ Number	Improvement Description	Balance December 31, 2013	2014 Authorizations	Transferred To Deferred Charges To Future Taxation Funded	Notes Paid By Budget Appropriation	Balance December 31, 2014	Analysis of Balance
							Unexpended Improvement Authorizations
2009-19	Acquisition of Affordable Housing Units	\$ 712,500.00	\$ -	\$ -	\$ -	\$ 712,500.00	\$ 712,500.00
2014-05	Various Capital Improvements/Equipment	-	296,100.00	-	296,100.00	-	-
2014-12	Various Capital Improvements/Equipment	-	40,000.00	2,000.00	-	38,000.00	38,000.00
		\$ 712,500.00	\$ 336,100.00	\$ 2,000.00	\$ 296,100.00	\$ 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, 2014**

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding December 31, 2014</u>		<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Decreased</u>	<u>Balance December 31, 2014</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
General Improvements	12/29/05	\$ 6,689,000.00	12/01/15	\$ 410,000.00	5.000%	\$ 799,000.00	\$ 389,000.00	\$ 410,000.00
Refunding Bonds	04/24/12	5,340,000.00	12/31/15	175,000.00	4.000%	5,175,000.00	175,000.00	5,000,000.00
			12/31/16	600,000.00	4.000%			
			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 Obligation Bonds	12/24/13	6,310,000.00	12/01/15	320,000.00	3.000%	6,310,000.00	295,000.00	6,015,000.00
			12/01/16	330,000.00	4.000%			
			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%						
						\$ 12,284,000.00	\$ 859,000.00	\$ 11,425,000.00

Current Fund Budget Appropriation \$ 719,853.00  
 Farmland Preservation Trust 139,147.00  
859,000.00

**TOWNSHIP OF COLTS NECK  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Improvement Description</u>	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance	Balance	
					December 31, 2013	December 31, 2014	
					<u>Decrease</u>		
2005-15 Acquisition of Smith Farm	08/24/05	02/26/13	02/25/14	1.00%	\$ 718,300.00	\$ 718,300.00	\$ -
2008-08 Various Capital Improvements/Equipment	06/11/08	02/26/13	02/25/14	1.00%	840,250.00	840,250.00	-
2010-14 Improvements To Heyers Mill Road, Phase II	08/17/11	02/26/13	02/25/14	1.00%	100,000.00	100,000.00	-
2011-09 Various Capital Improvements	02/27/12	02/26/13	02/25/14	1.00%	2,672,441.00	2,672,441.00	-
					<u>\$ 4,330,991.00</u>	<u>\$ 4,330,991.00</u>	<u>\$ -</u>

**TOWNSHIP OF COLTS NECK  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF GREEN TRUST LOAN PROGRAM  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Balance December 31, 2014</u>
			<u>Date</u>	<u>Principal and Interest</u>			
Laird Road Recreation Area Development	06/25/01	\$ 89,000.00	03/25/12-21	Various	2.00%	\$ 38,366.72	\$ 33,575.92
Laird Road Recreation II	08/06/02	90,000.00	05/06/12-22	Various	2.00%	43,546.95	38,797.78
						<u>\$ 81,913.67</u>	<u>\$ 72,373.70</u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Ordinance Number/Date	Improvement Description	2014 Authorizations											
		Ordinance Amount		Balance December 31, 2013		Deferred Charges To Future Taxation		Capital Improvement Fund		Paid or Charged		Balance December 31, 2014	
		Date	Amount	Funded	Unfunded	Unfunded	Fund	Funded	Unfunded	Funded	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	1,651.22	-	-	-	-	1,651.22	-	-	-	
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	912.34	-	-	-	-	-	912.34	-	-	
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	72,025.14	-	-	-	-	13,772.28	-	58,252.86	-	
2011-04	Various Capital Improvements/Equipment	05/11/11	158,000.00	4,255.20	-	-	-	-	4,235.20	-	-	-	
2011-09	Various Capital Improvements/Equipment	11/30/11	3,121,255.00	745,267.52	-	-	-	-	679,481.29	-	65,786.23	-	
2012-10	Various Capital Improvements/Equipment	05/09/12	160,800.00	27,888.79	-	-	-	-	18,443.29	-	9,445.50	-	
2013-07	Various Capital Improvements/Equipment	05/08/13	296,100.00	48,819.56	-	-	-	-	45,093.43	-	3,726.13	-	
2013-10	Various Road Improvements/Acq. of Equipment	07/10/13	2,950,000.00	2,419,113.01	-	-	-	-	2,215,458.26	-	203,654.75	-	
2013-11	Acquisition of Asphalt Hot Box & Lawn Mowers	07/10/13	70,000.00	186.38	-	-	-	-	186.38	-	-	-	
2014-05	Various Capital Improvement/Equipment	2/26/14	40,000.00	-	-	-	38,000.00	2,000.00	-	-	2,000.00	38,000.00	
2014-12	Various Capital Improvement/Equipment	5/14/14	296,100.00	-	-	-	-	296,100.00	238,743.93	-	57,356.07	-	
				\$ 3,552,217.32	\$ 712,500.00	\$ 38,000.00	\$ 298,100.00	\$ 3,217,977.62	\$ 632,339.70	\$ 750,500.00			

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 92,729.00
Increased By:	
2014 Budget Appropriations	<u>346,100.00</u>
	438,829.00
Decreased By:	
Improvement Authorizations Funded	<u>298,100.00</u>
Balance, December 31, 2014	<u><u>\$ 140,729.00</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR DEBT SERVICE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 142,808.68
Decreased By:	
2014 Budget Appropriation	<u>40,000.00</u>
Balance, December 31, 2014	<u>\$ 102,808.68</u>

**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, 2014**

Balance, December 31, 2013	\$ 7,182.00
Increased By:	
Cash Receipts - Insurance Reimbursement	<u>46,312.50</u>
	53,494.50
Decreased By:	
Cash Disbursement	<u>50,000.00</u>
Balance, December 31, 2014	<u><u>\$ 3,494.50</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS AND INTERGOVERNMENTAL RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 250,000.00
Decreased By:	
NJDOT Grant Received	187,500.00
Balance, December 31, 2014	\$ 62,500.00

Analysis of Balance

2013 Municipal Aid Program for Laird Road	\$ 62,500.00
	\$ 62,500.00

**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, 2014**

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	Balance December 31, <u>2013</u>	Increased By 2014 <u>Authorizations</u>	Balance December 31, <u>2014</u>
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
		<u>\$ 712,500.00</u>	<u>\$ 38,000.00</u>	<u>\$ 750,500.00</u>

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**GENERAL FIXED ASSETS ACCOUNT GROUP**

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**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF LAND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 19,695,421.69
Increased By:	
Additions	<u>61,056.00</u>
Balance, December 31, 2014	<u><u>\$ 19,756,477.69</u></u>

**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, 2014**

Balance, December 31, 2013	\$ 3,716,229.00
Increased By Additions:	
Buildings and Improvements	<u>120,486.00</u>
Balance, December 31, 2014	<u>\$ 3,836,715.00</u>

**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, 2014**

Balance, December 31, 2013	\$ 6,009,737.00
Increased By Additions:	
Machinery, Equipment and Vehicles	<u>1,620,024.00</u>
	7,629,761.00
Decreased By Deletions:	
Machinery, Equipment and Vehicles	<u>304,996.00</u>
Balance, December 31, 2014	<u><u>\$ 7,324,765.00</u></u>

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**SINGLE AUDIT**

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

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

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

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

***Management’s Responsibility***

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

***Auditor’s Responsibility***

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

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

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

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

### ***Other Matters***

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

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

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

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

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

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

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

We have audited the financial statements of Township of Colts Neck as of and for the year ended December 31, 2014, and have issued our report thereon dated April 22, 2015, which contained a qualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

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

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

April 22, 2015  
Freehold, New Jersey

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2014**

Department/Program Title	Federal CFDA Number	State Pass-Through Number	Grant Awards	Grant Period To From	Balance December 31, 2013	Cash Received	Expenditures	Balance December 31, 2014	Memo Only	
									Cash Receipts	Accumulated Expenditures
<b>CURRENT FUND:</b>										
Federal Emergency Management Agency (FEMA) Department of Homeland Security (DHS) Public Assistance Grants Superstorm Sandy	97.036	066-1200-100-A92-15	2,042,540.03	10/1/2012 Open	\$ -	\$ 698,548.77	\$ 698,548.77	\$ -	\$ 1,771,772.09	\$ 1,771,772.09
National Priority Safety Programs:										
Department of Transportation:										
Occupant Protection Grant	20.616	066-1160-100-155-15	4,000.00	1/1/2014 12/31/2014		4,000.00	4,000.00	-	4,000.00	4,000.00
Impaired Driving Countermeasure Grant	20.616	066-1160-100-157-15	1,600.00	1/1/2014 12/31/2014		1,600.00	1,600.00	-	1,600.00	1,600.00
<b>GENERAL CAPITAL FUND:</b>										
Highway Planning and Construction Federal-Aid Highway Program, Federal Lands Highway Program										
Department of Transportation: Local Municipal Aid, NITPA	20.205	078-6320-480-ALL-15	250,000.00	1/1/2013 OPEN	250,000.00	187,500.00	-	62,500.00	187,500.00	250,000.00
Total Expenditures of Federal Awards					\$ 250,000.00	\$ 891,648.77	\$ 704,148.77	\$ 62,500.00	\$ 1,964,872.09	\$ 2,027,372.09

**TOWNSHIP OF COLTS NECK**  
**NOTES TO SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 1. General**

The accompanying schedule of expenditures of federal awards present the activity of all federal awards of the Township of Colts Neck. The Township is defined in Note 1 of the Township's financial statements.

**Note 2. Basis of Accounting**

The accompanying schedule of expenditures of federal awards are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

**Note 3. Relationship to Financial Statements – Statutory Basis**

With the exception of FEMA expenditures, as described in Note 6, the amounts reported in the accompanying schedule agree with amounts reported in the Borough's 2014 financial statements. Expenditures from awards are reported in the Borough's financial statements as follows:

	<b>Federal</b>
Current Fund	\$ 5,600.00
Total	\$ 5,600.00

**Note 4. Relationship to Federal Financial Report**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial report.

**Note 5. Major Programs**

Major programs are identified in the Schedule of Findings and Questioned Costs section.

**TOWNSHIP OF COLTS NECK**

**NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 6. FEMA – Superstorm Sandy**

In accordance with the Federal Emergency Management Agency, expenditures from Superstorm Sandy are recorded only when FEMA funds have been released to Municipality. The monies being released are for reimbursements of expenditures that had been previously recorded in the municipality's financial statements. A reconciliation of the financial statements to the amount reported on the Schedule of Expenditures of Federal Awards follows:

	Current <u>Fund</u>
Expenditures - Prior Years	\$ 698,548.77
Expenditures - 2014	<u>-</u>
Total FEMA Reported on Schedule of Expenditures of Federal Awards	<u><u>\$ 698,548.77</u></u>

**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Part 1 - Summary of Auditor's Results**

Financial Statement Section

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

Federal Awards Section

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

G) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Public Assistance Grants
	Superstorm Sandy

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

**TOWNSHIP OF COLTS NECK  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
Year ended December 31, 2014**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

No Current Year Findings

**Section III – Schedule of Federal Award Findings & Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of Federal programs, as required to be reported by section .510(a) of Circular A-133.

No Current Year Findings

**TOWNSHIP OF COLTS NECK  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
Year ended December 31, 2014**

This section identifies the status of prior-year findings related to the financial statements and federal awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)) and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

No Prior Year Findings

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**TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH**

**PART II**

**COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2014**

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The Honorable Mayor and Members  
of the Township Council  
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, 2014.

**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 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):**

*Town Hall Slate Roof Replacement*  
*30 Yard Roll-Off Containers*  
*Road Improvements, Phase II*  
*Laird Road Improvements, Route 537 to Phalanx Road*

A test was conducted to determine that expenditures greater than \$5,400 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 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, 2014 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 and water/sewer rents 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

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

Thousand Five 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 1<sup>st</sup> of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2014 with the governing body.

**Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2014 included real estate taxes for 2014.

The last tax sale was held on December 9, 2014 and was complete.

Inspection of 2014 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:

<b>YEAR</b>	<b>NUMBER OF LIENS</b>
2014	3
2013	3
2012	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, 2014:

<b>NAME</b>	<b>POSITION</b>
Russell Macnow	Mayor
James C. Schatzle	Deputy Mayor
Michael Fitzgerald	Committeeman
Thomas Orgo	Committeeman
Jarrett R. Engel	Committeeman
Robert H. Bowden	Administrator, Clerk, Assessment Searcher
John D. Antonides	Chief Financial Officer, Tax Collector, Tax Search Officer, Qualified Purchasing Agent *
Kelly McCormick	Deputy Treasurer/Collector
Beth Kara	Deputy Clerk, Administrative Secretary, Secretary to the Township Committee, Website Coordinator
Richard B. Thompson	Municipal Judge
Kathy Baghsarian	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

April 22, 2015  
Freehold, New Jersey