

*Report of Audit*

*on the*

*Financial Statements*

*of the*

***Township of Readington***

*in the*

*County of Hunterdon*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2014*



TOWNSHIP OF READINGTON

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TOWNSHIP OF READINGTON

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2014 AND 2013



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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the Township Committee  
Township of Readington  
County of Hunterdon  
509 Route 523  
Whitehouse Station, New Jersey 08889

### ***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Readington, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting 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 misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 Township'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 Township'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 regulatory 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 described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Readington on the basis of the financial reporting provisions 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 of America, to meet the requirements of New Jersey.

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Readington as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2014.

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

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2014 and 2013, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Readington's regulatory financial statements. The supplementary information, data and schedules of expenditures of federal awards and state financial assistance listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents and the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2015 on our consideration of the Township of Readington'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 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 Readington's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 16, 2015

CURRENT FUND

TOWNSHIP OF READINGTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
<u>ASSETS</u>			
Cash	A-4	\$ 6,589,750.63	\$ 5,816,356.50
Change Fund	A-6	450.00	450.00
Due State of New Jersey - Senior Citizens and Veterans	A-7	48,587.47	37,207.01
		<u>\$ 6,638,788.10</u>	<u>\$ 5,854,013.51</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 1,226,268.37	\$ 1,289,488.03
Tax Title Liens Receivable	A-9	102,539.83	98,850.15
Interfunds Receivable	A-12	4,989.59	5,839.30
	A	<u>\$ 1,333,797.79</u>	<u>\$ 1,394,177.48</u>
Deferred Charges	A-32	\$ 550,396.53	\$ 2,400,000.00
		<u>\$ 8,522,982.42</u>	<u>\$ 9,648,190.99</u>
Grant Fund:			
Grants Receivable	A-30	\$ 5,551.25	\$ 9,820.50
Interfunds Receivable	A-10	17,200.41	33,158.60
		<u>\$ 22,751.66</u>	<u>\$ 42,979.10</u>
		<u>\$ 8,545,734.08</u>	<u>\$ 9,691,170.09</u>

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

TOWNSHIP OF READINGTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
Appropriation Reserves	A-3:A-14	\$ 413,505.15	\$ 607,060.08
Prepaid Taxes	A-18	358,686.71	341,725.39
Accounts Payable	A-11	186,425.06	140,463.54
Tax Overpayments	A-17	63,906.27	115,942.76
Interfunds Payable	A-12	17,200.41	51,831.68
Reserve For:			
Sale of Municipal Assets	A-25	560.63	30,471.34
Due State of New Jersey:			
Marriage/Domestic Partnership Licenses	A-19	500.00	325.00
Construction Code DCA	A-21	7,278.00	7,478.00
Master Plan	A-24	83,310.95	83,310.95
Due County Food Inspectors	A-15	575.00	2,125.00
Tax Sale Premiums	A-31	605,700.00	487,500.00
FEMA Sandy Aid-Unappropriated	A-16		914,558.10
Reserve for Tax Appeals	A-34	308,002.44	370,000.00
County Tax Payable	A-26	27,488.52	41,913.48
Regional District School Tax Payable	A-27	3,052,130.18	3,052,130.18
		\$ 5,125,269.32	\$ 6,246,835.50
Reserve for Receivables and Other Assets	A	1,333,797.79	1,394,177.48
Fund Balance	A-1	2,063,915.31	2,007,178.01
		\$ 8,522,982.42	\$ 9,648,190.99
Grant Fund:			
Reserve for Grants - Appropriated	A-23	\$ 15,425.95	\$ 26,570.73
Reserve for Grants - Unappropriated	A-33		8,138.66
Reserve for Accounts Payable	A-35	7,325.71	8,269.71
		\$ 22,751.66	\$ 42,979.10
		\$ 8,545,734.08	\$ 9,691,170.09

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

## TOWNSHIP OF READINGTON

## CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2014	YEAR ENDED DECEMBER 31, 2013
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,340,199.66	\$ 685,000.00
Miscellaneous Revenue Anticipated	A-2	5,594,059.76	3,880,540.61
Receipts From Delinquent Taxes	A-2	890,330.95	973,418.49
Receipts From Current Taxes	A-2	71,788,250.50	71,689,622.66
Non-Budget Revenue	A-2	89,874.01	109,637.48
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	328,222.12	430,564.01
Other Cancellations	A-12	674.29	25,010.99
Interfunds Returned		849.71	
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 80,032,461.00</u>	<u>\$ 77,793,794.24</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS"	A-3	\$ 12,772,885.00	\$ 11,816,032.00
Deferred Charges and Statutory Expenditures - Municipal	A-3	3,511,492.47	1,944,727.00
Operations Excluded From "CAPS"	A-3	156,479.84	196,254.31
Municipal Debt Service	A-3	3,283,578.83	2,998,259.08
Capital Improvements	A-3	250,000.00	100,000.00
Open Space Tax	A-29	532,663.00	530,615.00
Added Open Space Tax	A-29	1,270.36	1,935.30
County Tax	A-26	11,494,752.02	11,488,449.06
County Share of Added Taxes	A-26	27,488.52	41,913.48
Regional District School Tax	A-27	18,306,232.00	18,490,719.00
Local District School Tax	A-28	28,693,682.00	28,774,995.00
Refund of Prior Revenue			189,850.12
Interfunds Advanced			3,939.45
<u>TOTAL EXPENDITURES</u>		<u>\$ 79,030,524.04</u>	<u>\$ 76,577,688.80</u>
Excess in Revenue		\$ 1,001,936.96	\$ 1,216,105.44
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3:A-32	\$ 395,000.00	\$
Statutory Excess to Fund Balance		\$ 1,396,936.96	\$ 1,216,105.44
Fund Balance, January 1	A	\$ 2,007,178.01	\$ 1,476,072.57
		\$ 3,404,114.97	\$ 2,692,178.01
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	1,340,199.66	685,000.00
Fund Balance, December 31	A	<u>\$ 2,063,915.31</u>	<u>\$ 2,007,178.01</u>

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

TOWNSHIP OF READINGTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2014

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	NJS 40A: 4-87		
Fund Balance Anticipated	A-1	\$ 1,340,199.66		\$ 1,340,199.66	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13 A-13	\$ 17,000.00	\$	\$ 20,396.40	\$ 3,396.40
Fees and Permits:					
Construction Code Official	A-13	435,000.00		541,438.51	106,438.51
Other	A-2	160,000.00		184,139.31	24,139.31
Municipal Court:					
Fines and Costs	A-13	100,000.00		116,634.45	16,634.45
Interest and Costs on Taxes	A-13	220,000.00		247,164.85	27,164.85
Interest on Investments and Deposits	A-13	6,500.00		20,346.55	13,846.55
Energy Receipts Tax	A-13	1,421,711.00		1,421,711.00	
Garden State Trust Fund	A-20	3,962.00		3,962.00	
Fire Safety - Life Hazard Use Fees	A-13	24,000.00		26,815.45	2,815.45
FEMA Sandy Aid	A-2	2,244,603.47		2,237,285.06	(7,318.41)
Reserve for Sale of Assets	A-25	37,686.34		37,686.34	
Capital Fund Balance	A-13	330,000.00		330,000.00	
Housing Trust Fund Balance	A-13	60,000.00		60,000.00	
Sewer Expansion Trust Reserve	A-13	265,000.00		265,000.00	
NJ Body Armor	A-30		2,524.43	2,524.43	
Drunk Driving Enforcement Fund	A-30	8,138.66		8,138.66	
Alcohol Education Rehabilitation	A-30		4,549.17	4,549.17	
Museum - NJ Historical Commission	A-30		10,841.00	10,841.00	
Emergency Management Performance	A-30		10,000.00	10,000.00	
Clean Communities	A-30		45,426.58	45,426.58	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 5,333,601.47	\$ 73,341.18	\$ 5,594,059.76	\$ 187,117.11
Receipts From Delinquent Taxes	A-1:A-8	\$ 915,000.00	\$	\$ 890,330.95	\$ (24,669.05)
Amt. to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-8	\$ 13,423,115.00	\$	\$ 14,182,162.60	\$ 759,047.60
<b>BUDGET TOTALS</b>		\$ 21,011,916.13	\$ 73,341.18	\$ 22,006,752.97	\$ 994,836.84
Non-Budget Revenues	A-2	\$	\$	\$ 89,874.01	\$ 89,874.01
		\$ 21,011,916.13	\$ 73,341.18	\$ 22,096,626.98	\$ 1,084,710.85
	REF.	A-3	A-3		

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

TOWNSHIP OF READINGTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2014

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A:8	\$ 71,788,250.50
Allocated to:		
County Taxes	A-8	\$ 11,522,240.54
Local District School Taxes	A-8	28,693,682.00
Regional District School Taxes	A-8	18,306,232.00
Municipal Open Space	A-8	<u>533,933.36</u>
Balance for Support of Municipal Budget Appropriations		\$ 12,732,162.60
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,450,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>14,182,162.60</u></u>
Other - Fees and Permits:		
Clerk	A-13	\$ 37,593.60
Health Department and Registrar	A-13	37,971.00
Planning and Zoning	A-13	25,409.63
Police	A-13	3,546.58
Fire	A-13	66,073.50
Public Works	A-13	<u>13,545.00</u>
	A-2	\$ <u><u>184,139.31</u></u>
FEMA - Sandy Aid		
Receipts	A-13	\$ 1,322,726.96
Unappropriated Applied	A-16	<u>914,558.10</u>
	A-2	\$ <u><u>2,237,285.06</u></u>

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



TOWNSHIP OF READINGTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2014

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Senior Citizens and Veterans Administrative Fee	\$	2,861.89
Library Aid		729.00
Rental of Polls		1,280.00
Police Fees		6,025.00
Squad Loan Interest		507.25
Rent		8,040.00
Cable Franchise Fees		17,215.76
Miscellaneous		24,584.29
Recycling		15,222.93
Tax Collector		<u>13,407.89</u>
<u>Total Non-Budget Revenue</u>	A-1:A-2:A-4	\$ <u><u>89,874.01</u></u>

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

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>GENERAL GOVERNMENT:</u>					
General Administration:					
Salaries and Wages	\$ 328,400.00	\$ 328,400.00	\$ 327,896.22	\$ 503.78	\$
Other Expenses:					
Elections	12,000.00	12,000.00	11,988.58	11.42	
Miscellaneous Other Expenses	107,000.00	107,000.00	86,591.52	20,408.48	
Mayor and Committee:					
Salaries and Wages	42,850.00	42,850.00	42,850.00		
Financial Administration:					
Salaries and Wages	194,100.00	183,100.00	181,457.01	1,642.99	
Other Expenses:					
Audit Services	38,000.00	38,000.00	33,925.00	4,075.00	
Other Expenses	12,000.00	12,000.00	10,253.05	1,746.95	
Revenue Administration:					
Salaries and Wages	76,400.00	76,400.00	76,369.20	30.80	
Other Expenses	24,000.00	24,000.00	23,592.46	407.54	
Assessment of Taxes:					
Salaries and Wages	70,400.00	70,400.00	70,355.48	44.52	
Other Expenses:					
Revision of Tax Map	13,000.00	13,000.00	12,983.78	16.22	
Miscellaneous Other Expenses	7,500.00	7,500.00	4,385.30	3,114.70	
Legal Services:					
Other Expenses	400,000.00	945,000.00	893,492.95	51,507.05	
Engineering Services and Costs:					
Other Expenses	150,000.00	133,000.00	81,337.40	51,662.60	
Museum Committee:					
Salaries and Wages	12,800.00	12,800.00	12,512.00	288.00	
Other Expenses	18,000.00	18,000.00	9,241.40	8,758.60	
Historical Preservation:					
Other Expenses	2,500.00	2,500.00	729.04	1,770.96	
Planning Board:					
Salaries and Wages	32,000.00	30,000.00	29,137.72	862.28	
Other Expenses	3,500.00	15,500.00	13,889.00	1,611.00	
Board of Adjustment:					
Salaries and Wages	68,100.00	58,100.00	58,100.00		
Other Expenses	3,500.00	3,500.00	2,029.28	1,470.72	
Environmental Health Services:					
Salaries and Wages	4,285.00	4,285.00	4,285.00		
Other Expenses:					
Consultants	150,000.00	186,000.00	170,664.03	15,335.97	
Miscellaneous Other Expenses	4,000.00	4,000.00	2,342.79	1,657.21	
Insurance:					
General Liability	450,800.00	436,750.00	434,806.22	1,943.78	
Employee Group Health	1,900,000.00	1,922,100.00	1,922,011.14	88.86	
Worker's Compensation	232,400.00	232,400.00	232,400.00		
<u>PUBLIC WORKS AND FUNCTIONS:</u>					
Waste Collection/Recycling:					
Salaries and Wages	21,800.00	21,800.00	21,800.00		
Other Expenses	707,000.00	707,000.00	664,373.74	42,626.26	
Public Buildings and Grounds:					
Salaries and Wages	212,700.00	212,700.00	212,645.28	54.72	
Other Expenses	106,700.00	106,700.00	81,091.29	25,608.71	
<u>PUBLIC SAFETY FUNCTIONS:</u>					
Police:					
Salaries and Wages	2,700,000.00	2,640,000.00	2,636,602.95	3,397.05	
Other Expenses	236,200.00	236,200.00	232,716.27	3,483.73	
Patrol of School Crossing:					
Salaries and Wages	35,600.00	35,600.00	31,710.84	3,889.16	
Emergency Management:					
Salaries and Wages	13,700.00	13,700.00	13,614.94	85.06	
Other Expenses	3,500.00	3,500.00	1,014.32	2,485.68	

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

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>PUBLIC SAFETY FUNCTIONS (CONTINUED):</u>					
Uniform Fire Safety Act:					
Salaries and Wages	\$ 54,000.00	\$ 58,500.00	\$ 58,470.78	\$ 29.22	\$
Other Expenses	4,000.00	4,000.00	2,039.40	1,960.60	
Fire:					
Aid to Volunteer Fire Companies	120,000.00	120,000.00	120,000.00		
Equipment for Volunteer Fire Company	77,400.00	88,640.00	88,414.99	225.01	
Training Fire Department Personnel	16,000.00	16,000.00	15,912.44	87.56	
Supplemental Fire Service Program	10,000.00	10,000.00	8,052.18	1,947.82	
Whitehouse First Aid Organization	30,000.00	30,000.00	30,000.00		
First Aid Equipment	19,350.00	22,160.00	19,586.42	2,573.58	
Municipal Prosecutor's Office:					
Other Expenses	37,000.00	37,000.00	34,815.40	2,184.60	
Municipal Court:					
Salaries and Wages	131,300.00	97,300.00	96,929.10	370.90	
Other Expenses	16,000.00	26,000.00	24,137.97	1,862.03	
Public Defender:					
Other Expenses	14,000.00	14,000.00	13,698.00	302.00	
Public Safety:					
Cost of Peosha Requirement	55,000.00	55,000.00	53,752.87	1,247.13	
<u>STREETS AND ROADS:</u>					
Road Repairs and Maintenance:					
Salaries and Wages	1,428,200.00	1,316,600.00	1,313,495.91	3,104.09	
Other Expenses	350,000.00	350,000.00	346,632.20	3,367.80	
Snow Removal:					
Other Expenses	175,000.00	192,000.00	190,296.29	1,703.71	
<u>HEALTH AND HUMAN SERVICES:</u>					
Board of Health:					
Salaries and Wages	40,900.00	40,900.00	40,217.19	682.81	
Other Expenses	22,000.00	22,000.00	21,493.35	506.65	
Animal Control:					
Other Expenses	25,000.00	25,000.00	25,000.00		
Administration of Public Assistance:					
Salaries and Wages	108,600.00	108,600.00	108,353.30	246.70	
Other Expenses	2,500.00	2,500.00	612.65	1,887.35	
Aid to Hunterdon County Charities:					
Other Expenses	1,500.00	1,500.00		1,500.00	
<u>RECREATION AND EDUCATION:</u>					
Recreation:					
Salaries and Wages	85,600.00	85,600.00	85,234.13	365.87	
Other Expenses	35,000.00	35,000.00	22,355.18	12,644.82	
Senior Citizens Transportation:					
Other Expenses	9,000.00	9,000.00	5,500.00	3,500.00	
Contribution to Visiting Homemaker Service:					
Other Expenses	1,100.00	1,100.00		1,100.00	
Expense of Participation in Free County Library:					
Salaries and Wages	142,000.00	143,500.00	143,452.50	47.50	
Other Expenses	10,000.00	10,000.00	6,551.65	3,448.35	
<u>UNIFORM CONSTRUCTION CODE:</u>					
Construction Official:					
Salaries and Wages	302,600.00	303,600.00	303,321.57	278.43	
Other Expenses	61,600.00	61,600.00	55,339.97	6,260.03	
<u>UNCLASSIFIED:</u>					
Celebration of Public Events:					
Other Expenses	8,000.00	8,000.00	6,587.73	1,412.27	
Utility Expenses and Bulk Purchases:					
Fire Hydrant Service	90,000.00	90,000.00	80,029.70	9,970.30	
Electricity	150,000.00	150,000.00	137,926.22	12,073.78	

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>UNCLASSIFIED (CONTINUED):</u>					
Street Lighting	\$ 50,000.00	\$ 50,000.00	\$ 36,167.42	\$ 13,832.58	\$
Telephone	79,000.00	79,000.00	75,014.63	3,985.37	
Fuel Oil	8,500.00				
Gasoline	210,000.00	210,000.00	186,200.79	23,799.21	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 12,374,885.00</u>	<u>\$ 12,769,885.00</u>	<u>\$ 12,400,787.13</u>	<u>\$ 369,097.87</u>	<u>\$</u>
Contingent	\$ 3,000.00	\$ 3,000.00	\$ 1,320.00	\$ 1,680.00	\$
<u>TOTAL OPERATIONS INCLUDING CONTINGENT-WITHIN "CAF"</u>	<u>\$ 12,377,885.00</u>	<u>\$ 12,772,885.00</u>	<u>\$ 12,402,107.13</u>	<u>\$ 370,777.87</u>	<u>\$</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":</u>					
Deferred Charges:					
Public Employees Retirement System	\$ 331,735.00	\$ 331,735.00	\$ 331,735.00	\$	\$
Contribution to Social Security System (O.A.S.I.)	475,000.00	475,000.00	438,380.87	36,619.13	
Police and Firemen's Retirement System	455,154.00	455,154.00	455,154.00		
Unemployment Insurance	5,000.00	5,000.00	2,691.85	2,308.15	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"</u>	<u>\$ 1,266,889.00</u>	<u>\$ 1,266,889.00</u>	<u>\$ 1,227,961.72</u>	<u>\$ 38,927.28</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE WITHIN "CAPS"</u>					
	<u>\$ 13,644,774.00</u>	<u>\$ 14,039,774.00</u>	<u>\$ 13,630,068.85</u>	<u>\$ 409,705.15</u>	<u>\$</u>
<u>OPERATIONS EXCLUDED FROM "CAPS":</u>					
LOSAP Program	\$ 75,000.00	\$ 75,000.00	\$ 71,200.00	\$ 3,800.00	\$
<u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 71,200.00</u>	<u>\$ 3,800.00</u>	<u>\$</u>
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u>					
Clean Communities Program (40A:4-87 +\$48,426.58)	\$	\$ 45,426.58	\$ 45,426.58	\$	\$
Body Armor (40A:4-87 +\$2,524.43)		2,524.43	2,524.43		
Emergency Management Performance (40A:4-87 +\$10,000)		10,000.00	10,000.00		
Museum (40A:4-87 +\$10,841)		10,841.00	10,841.00		
Alcohol Education Rehabilitation (40A:4-87 +\$4,549.17)		4,549.17	4,549.17		
Drunk Driving Enforcement Fund	8,138.66	8,138.66	8,138.66		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	<u>\$ 8,138.66</u>	<u>\$ 81,479.84</u>	<u>\$ 81,479.84</u>	<u>\$</u>	<u>\$</u>
<u>TOTAL OPERATION-EXCLUDED FROM "CAPS"</u>	<u>\$ 83,138.66</u>	<u>\$ 156,479.84</u>	<u>\$ 152,679.84</u>	<u>\$ 3,800.00</u>	<u>\$</u>
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS":</u>					
Capital Improvement Fund	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$	\$
Road Repair and Improvement	175,000.00	175,000.00	175,000.00		
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	<u>\$ 250,000.00</u>	<u>\$ 250,000.00</u>	<u>\$ 250,000.00</u>	<u>\$</u>	<u>\$</u>
<u>MUNICIPAL DEBT SERVICES-EXCLUDED FROM "CAPS":</u>					
Payment of Bond Principal	\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,300,000.00	\$	\$
Payment of Note Principal	330,000.00	330,000.00	330,000.00		
Interest on Bonds	925,700.00	925,700.00	874,290.84		51,409.16
Interest on Notes	333,000.00	333,000.00	332,999.96		0.04
Green Acres Loans	450,700.00	450,700.00	446,288.03		4,411.97
<u>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>	<u>\$ 3,339,400.00</u>	<u>\$ 3,339,400.00</u>	<u>\$ 3,283,578.83</u>	<u>\$</u>	<u>\$ 55,821.17</u>
<u>DEFERRED CHARGES:</u>					
Special Emergency Authorizations - 5 Years	\$ 2,244,603.47	\$ 2,244,603.47	\$ 2,244,603.47	\$	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE EXCLUDED FROM "CAPS"</u>	<u>\$ 5,917,142.13</u>	<u>\$ 5,990,483.31</u>	<u>\$ 5,930,862.14</u>	<u>\$ 3,800.00</u>	<u>\$ 55,821.17</u>

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>SUBTOTAL GENERAL APPROPRIATIONS</u>	\$ 19,561,916.13	\$ 20,030,257.31	\$ 19,560,930.99	\$ 413,505.15	\$ 55,821.17
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>1,450,000.00</u>	<u>1,450,000.00</u>	<u>1,450,000.00</u>		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 21,011,916.13</u>	<u>\$ 21,480,257.31</u>	<u>\$ 21,010,930.99</u>	<u>\$ 413,505.15</u>	<u>\$ 55,821.17</u>
	<u>REF.</u>	A-2:A-3	A-1:A-3	A:A-1	
Budget	A-3	\$ 21,011,916.13			
Amendment - NJSA 40A: 4-87	A-32	395,000.00			
Emergency	A-2	<u>73,341.18</u>			
		<u>\$ 21,480,257.31</u>			
Reserve for Accounts Payable	A-11		\$ 186,425.06		
Reserve for Grants Appropriated	A-23		81,479.84		
Reserve for Uncollected Taxes	A-2		1,450,000.00		
Prior Deferred Charges	A-32		2,244,603.47		
Disbursements	A-4		<u>17,812,151.46</u>		
			<u>\$ 21,774,659.83</u>		
Less: Refunds	A-4		<u>763,728.84</u>		
	A-3		<u>\$ 21,010,930.99</u>		

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TRUST FUND

TOWNSHIP OF READINGTON

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ <u>9,702.79</u>	\$ <u>5,615.30</u>
		\$ <u>9,702.79</u>	\$ <u>5,615.30</u>
Other Funds:			
Cash	B-1	\$ 1,731,181.44	\$ 2,037,675.18
Due Current Fund	B-3		18,673.08
Due Net Payroll - Payroll Deduction	B-9	1,874.53	799.52
Accounts Receivable - Other	B-8	400,000.00	400,000.00
Intrafund - Driveway Maintenance/General Trust	B-10		302.28
		\$ <u>2,133,055.97</u>	\$ <u>2,457,450.06</u>
		\$ <u>2,142,758.76</u>	\$ <u>2,463,065.36</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	B-5	\$ 3.49	\$ 400.84
Prepaid Licenses	B-2	912.00	633.00
Reserve for Animal Control Expenditures	B-7	<u>8,787.30</u>	<u>4,581.46</u>
		\$ <u>9,702.79</u>	\$ <u>5,615.30</u>
Other Funds:			
Due Current Fund	B-3	\$ 1,931.58	\$ 512.11
Reserve for Various Trust Deposits	B-4	2,131,124.39	2,456,635.67
Intrafund - Driveway Maintenance/General Trust	B-10		302.28
		\$ <u>2,133,055.97</u>	\$ <u>2,457,450.06</u>
		\$ <u>2,142,758.76</u>	\$ <u>2,463,065.36</u>

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



GENERAL CAPITAL FUND

## TOWNSHIP OF READINGTON

## GENERAL CAPITAL FUND

## BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER 31, 2014	BALANCE DECEMBER 31, 2013
<u>A S S E T S</u>			
Cash	C-2:C-3	\$ 695,302.29	\$ 2,022,584.71
Deferred Charges to Future Taxation:			
Funded	C-5	20,668,655.96	23,035,245.47
Unfunded	C-7	36,543,151.83	33,566,008.47
Accounts Receivable	C-15	45,393.18	63,596.05
		<u>\$ 57,952,503.26</u>	<u>\$ 58,687,434.70</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-11	\$ 18,445,000.00	\$ 20,415,000.00
Bond Anticipation Notes Payable	C-13	31,800,000.00	33,300,000.00
Loans Payable	C-10	2,223,655.96	2,620,245.47
Contracts Payable	C-12	660,315.04	2,002.00
Due Current Fund	C-4	580.92	195.30
Capital Improvement Fund	C-8	110,979.40	150,891.53
Improvement Authorizations:			
Funded	C-9	742,568.16	654,097.72
Unfunded	C-7:C-9	3,452,005.40	938,208.72
Reserve for Capital Projects	C-6	121,490.00	117,250.00
Reserve for Receivable	C-16	45,393.18	63,596.05
Fund Balance	C-1	350,515.20	425,947.91
		<u>\$ 57,952,503.26</u>	<u>\$ 58,687,434.70</u>

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

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2013	C		\$ 425,947.91
Increased by:			
Refund Costs		\$ 14,477.29	
Premium on Sale of Notes		<u>240,090.00</u>	
	C-2		<u>254,567.29</u>
			\$ <u>680,515.20</u>
Decreased by:			
Current Fund Miscellaneous Revenue Anticipated	C-2		<u>330,000.00</u>
Balance, December 31, 2014	C		\$ <u><u>350,515.20</u></u>

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

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SEWER UTILITY FUND

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TOWNSHIP OF READINGTON

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE DECEMBER 31, 2013</u>
<u>OPERATING FUND:</u>			
Cash	D-4	\$ <u>406,191.13</u>	\$ <u>346,052.94</u>
		\$ <u>406,191.13</u>	\$ <u>346,052.94</u>
Receivables with Full Reserves: Sewer Use Charges Receivable	D:D8	\$ <u>109,388.03</u>	\$ <u>103,420.81</u>
<u>TOTAL OPERATING FUND</u>	D	\$ <u>515,579.16</u>	\$ <u>449,473.75</u>
<u>TRUST FUND:</u>			
Cash	D-4	\$ <u>470,059.95</u>	\$ <u>529,104.90</u>
<u>TOTAL TRUST FUND</u>	D	\$ <u>470,059.95</u>	\$ <u>529,104.90</u>
		\$ <u>985,639.11</u>	\$ <u>978,578.65</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Appropriation Reserves	D-3:D-7	\$ 61,359.32	\$ 54,087.24
Sewer Overpayments	D-10	2,739.65	2,936.50
Reserve for Accounts Payable	D-9	8,659.54	2,176.12
Reserve for Refundable Hook-Up Fees	D-5	3,720.25	3,720.25
		\$ <u>76,478.76</u>	\$ <u>62,920.11</u>
Reserve for Receivables	D	109,388.03	103,420.81
Fund Balance	D-1	<u>329,712.37</u>	<u>283,132.83</u>
<u>TOTAL OPERATING FUND</u>	D	\$ <u>515,579.16</u>	\$ <u>449,473.75</u>
<u>TRUST FUND:</u>			
Reserve for Expansion	D-6	\$ <u>470,059.95</u>	\$ <u>529,104.90</u>
<u>TOTAL TRUST FUND</u>	D	\$ <u>470,059.95</u>	\$ <u>529,104.90</u>
		\$ <u>985,639.11</u>	\$ <u>978,578.65</u>

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

## TOWNSHIP OF READINGTON

## SEWER UTILITY FUND

## STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2014	YEAR ENDED DECEMBER 31, 2013
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-2	\$ 48,058.00	\$
Sewer Use Charges	D-2	1,356,580.83	1,321,503.46
Miscellaneous Revenue	D-2:D-4	8,528.22	5,235.95
User Fees From Other Contracts	D-2:D-4	216,160.00	233,650.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-7	<u>10,868.49</u>	<u>11,982.29</u>
<u>TOTAL INCOME</u>		<u>\$ 1,640,195.54</u>	<u>\$ 1,572,371.70</u>
<u>EXPENDITURES</u>			
Operating	D-3	\$ 1,534,946.00	\$ 1,483,275.00
Statutory Expenditures	D-3	<u>10,612.00</u>	<u>6,370.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 1,545,558.00</u>	<u>\$ 1,489,645.00</u>
Excess in Revenue		\$ 94,637.54	\$ 82,726.70
Fund Balance, January 1	D	<u>283,132.83</u>	<u>200,406.13</u>
		\$ 377,770.37	\$ 283,132.83
Decreased by:			
Utilization as Anticipated Revenue	D-1:D-2	<u>48,058.00</u>	
Fund Balance, December 31	D	<u><u>\$ 329,712.37</u></u>	<u><u>\$ 283,132.83</u></u>

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

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2014

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/(DEFICIT)</u>
Fund Balance Utilized	D-1	\$ 48,058.00	\$ 48,058.00	\$
Sewer Use Charges	D-1	1,260,000.00	1,356,580.83	96,580.83
Miscellaneous Revenue	D-1:D-4	7,500.00	8,528.22	1,028.22
User Fees From Other Contracts	D-1:D-4	<u>230,000.00</u>	<u>216,160.00</u>	<u>(13,840.00)</u>
<u>BUDGET TOTALS</u>	D-3	<u>\$ 1,545,558.00</u>	<u>\$ 1,629,327.05</u>	<u>\$ 83,769.05</u>

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



TOWNSHIP OF READINGTON

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2014

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
<u>OPERATING:</u>				
Salaries and Wages	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$
Other Expenses	50,000.00	50,000.00	40,416.61	9,583.39
Service Fees - RLSA	1,209,946.00	1,209,946.00	1,209,946.00	
Service Fees - RTMUA	200,000.00	200,000.00	148,224.07	51,775.93
	<u>1,534,946.00</u>	<u>1,534,946.00</u>	<u>1,473,586.68</u>	<u>61,359.32</u>
<u>TOTAL OPERATING</u>				
<u>STATUTORY EXPENDITURES:</u>				
Statutory Expenditures:				
Public Employee Retirement System	\$ 4,875.00	\$ 4,875.00	\$ 4,875.00	\$
Social Security System (O.A.S.I.)	5,737.00	5,737.00	5,737.00	
	<u>10,612.00</u>	<u>10,612.00</u>	<u>10,612.00</u>	
<u>TOTAL STATUTORY EXPENDITURES</u>				
	<u>\$ 1,545,558.00</u>	<u>\$ 1,545,558.00</u>	<u>\$ 1,484,198.68</u>	<u>\$ 61,359.32</u>
	<u>REF.</u>	<u>D-2</u>	<u>D-1</u>	<u>D</u>
Disbursements	D-4		\$ 1,475,539.14	
Accounts Payable	D-9		8,659.54	
			<u>\$ 1,484,198.68</u>	

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF READINGTON  
STATEMENT OF GENERAL FIXED ASSETS  
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2014</u>	BALANCE DECEMBER <u>31, 2013</u>
<u>FIXED ASSETS</u>		
Land	\$ 76,414,456.10	\$ 76,414,456.10
Buildings	12,811,412.50	12,688,285.00
Machinery and Equipment	<u>4,491,299.90</u>	<u>4,340,903.32</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 93,717,168.50</u>	<u>\$ 93,443,644.42</u>
 <u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 93,717,168.50</u>	<u>\$ 93,443,644.42</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF READINGTON

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014 AND 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Readington is an instrumentality of the State of New Jersey established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Readington include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Readington, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Readington do not include the operations of the municipal library, first aid organization, volunteer fire companies, or the local and regional school districts, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Readington conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Township of Readington are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created.

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

Sewer Operating and Trust Funds - account for the operations and of the municipally-owned sewer utility.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet 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. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year 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. 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.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds - 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. GAAP does not require the establishment of an offsetting reserve.



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Township's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, certificates of deposit, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Under GUDPA, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Readington had the following cash and cash equivalents at December 31, 2014:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Total</u>
Current	\$ 6,594,577.70	\$ (4,827.07)	\$ 6,589,750.63
Animal Control Trust	13,269.19	(3,566.40)	9,702.79
Other Trust	1,733,468.67	(2,287.23)	1,731,181.44
General Capital	706,807.34	(11,505.05)	695,302.29
Sewer Operating	406,191.13		406,191.13
Sewer Trust	470,059.95		470,059.95
<u>Total December 31, 2014</u>	<u>\$ 9,924,373.98</u>	<u>\$ (22,185.75)</u>	<u>\$ 9,902,188.23</u>

Based upon GASB criteria, the Township considers change funds; cash in bank, investment in certificates of deposits as cash and cash equivalents. Of the cash on balance in the bank of \$9,924,373.98, \$595,452.89 was covered by Federal Depository Insurance and \$9,039,592.11 was covered under the provision of NJGUDPA. \$289,328.98 was on deposit with the New Jersey Cash Management Fund.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2014, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial risk. The New Jersey Cash Management Fund is an investment pool and is not insured by either FDIC or GUDPA.

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;  
Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2014, the Township has \$289,328.98 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.840%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
School Debt	\$ 26,250,495.95	\$ 26,250,495.95	\$ -0-
General Debt	<u>57,412,687.49</u>	<u>200,879.70</u>	<u>57,211,807.79</u>
	<u>\$ 83,663,183.44</u>	<u>\$ 26,451,375.65</u>	<u>\$ 57,211,807.79</u>

NET DEBT \$57,211,807.79 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$3,109,878,323.33 EQUALS 1.840%.

SUMMARY OF MUNICIPAL DEBT

Issued:	<u>2014</u>	<u>2013</u>	<u>2012</u>
Bonds, Notes, and Loans:			
General	\$ <u>52,468,655.96</u>	\$ <u>56,335,245.47</u>	\$ <u>58,249,073.46</u>
Total Issued	\$ <u>52,468,655.96</u>	\$ <u>56,335,245.47</u>	\$ <u>58,249,073.46</u>
Authorized But Not Issued:			
Bonds, Notes, and Loans:			
General	\$ <u>4,944,031.53</u>	\$ <u>1,122,134.35</u>	\$ <u>2,492,796.70</u>
	<u>\$ 4,944,031.53</u>	<u>\$ 1,122,134.35</u>	<u>\$ 2,492,796.70</u>
Net Bonds, Notes, and Loans Issued and Authorized But Not Issued	\$ <u>57,412,687.49</u>	\$ <u>57,457,379.82</u>	\$ <u>60,741,870.16</u>
Less:			
Cash on Hand to Pay Notes	\$ <u>200,879.23</u>	\$ <u>856,125.88</u>	\$ <u>855,804.01</u>
Net Debt Issued and Authorized But Not Issued	\$ <u>57,211,807.79</u>	\$ <u>56,601,253.94</u>	\$ <u>59,886,066.15</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2014	<u>\$3,109,878,323.33</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$108,845,741.31
Net Debt	<u>57,211,807.79</u>
Remaining Borrowing Power	<u>\$51,633,933.52</u>

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Township of Readington for the last three (3) preceding years.

LONG-TERM DEBT

General Serial Bonds:

\$7,945,000.00 Refunding Bonds of 2014 due in annual installments of \$330,000.00 to \$960,000.00 through 2025 at a variable interest rate	\$ 7,945,000.00
\$10,000,000.00 General Obligation Bonds of 2005 due in annual installments of \$250,000.00 to \$1,000,000.00 through 2025 at a variable interest rate	250,000.00
\$11,000,000.00 General Obligation Bonds of 2011 due in annual installments of \$250,000.00 to \$875,000.00 through 2031 at a variable interest rate	<u>10,250,000.00</u>
	<u>\$18,445,000.00</u>

Bond Anticipation Notes:

General Capital, Interest Rate 1%, Issued 1/30/14, Maturity 1/29/15	<u>\$31,800,000.00</u>
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NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT (CONTINUED)

Loans:

\$544,274.25 "Recreation Area Acquisition" loan of 1995 due in semi-annual installments of \$16,101.04 to \$16,754.81 through 2015 at an interest rate of 2.00%	\$ 16,754.80
\$169,303.50 "Rockaway Creek" loan of 1995 due in semi-annual installments of \$4,958.85 to \$5,211.80 through 2015 at an interest rate of 2.0%	10,371.99
\$169,347.19 "Rockaway Creek" loan of 1998 due in semi-annual installments of \$4,766.58 to \$5,213.14 through 2017 at an interest rate of 2.0%	30,514.78
\$1,000,000.00 "Incentive" loan of 2002 due in semi-annual installments of \$27,689.44 to \$32,146.58 through 2020 at an interest rate of 2.0%	365,430.41
\$2,250,000.00 "Greenway Acquisition" loan of 2001 due in semi-annual installments of \$66,321.03 to \$73,992.27 through 2018 at an interest rate of 1.0%	571,826.70
\$500,000.00 "Summer Road Park" loan of 2002 due in semi-annual installments of \$12,996.56 to \$15,391.88 through 2021 at an interest rate of 1.0%	202,152.93
\$1,271,572.00 "N.J. Infrastructure-Dreahook Road" loan of 2001 due in annual installments of \$35,000.00 to \$50,000.00 through 2021 at a variable interest rate	533,869.17
\$285,829.00 "N.J. Infrastructure-2003" loan of 2003 due in annual installments of \$5,000.00 through 2023 at a variable interest rate	136,584.14
\$672,696.00 "N.J. Infrastructure-2004" loan of 2004 due in annual installments of \$5,000.00 to \$10,000.00 through 2024 at a variable interest rate	<u>356,151.04</u>
	<u>\$2,223,655.96</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT AND LOANS ISSUED AND OUTSTANDING  
DECEMBER 31, 2014

<u>Year</u>	<u>Bonds</u>		<u>Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$1,045,000.00	\$806,033.76	\$382,840.96	\$44,218.78
2016	1,050,000.00	764,796.26	366,429.33	36,846.26
2017	1,065,000.00	733,696.26	368,842.08	29,452.67
2018	1,100,000.00	690,296.26	368,797.51	21,905.39
2019	1,135,000.00	645,496.26	220,608.94	14,914.72
2020-24	6,375,000.00	2,477,837.55	516,137.14	19,472.74
2025-29	4,925,000.00	1,055,078.16		
2030-31	1,750,000.00	91,875.00		
	<u>\$18,445,000.00</u>	<u>\$7,265,109.51</u>	<u>\$2,223,655.96</u>	<u>\$166,810.56</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015, were as follows:

Current Fund	\$1,190,677.53
Sewer Utility Fund	\$121,489.00

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the School Districts. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2014</u>	BALANCE DECEMBER <u>31, 2013</u>
Prepaid Taxes	\$ <u>358,686.71</u>	\$ <u>341,725.39</u>



NOTE 6: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, In which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest alter four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2014 PERS provides for employee contributions of 6.92% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2014, members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$791,764 for 2014, \$847,652 for 2013, and \$794,111 for 2012.

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Township employees are also covered by the Federal Insurance Contribution Act.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Township, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off at a later date. The Township's management has estimated the liability for unused sick pay to be \$345,228.72 at December 31, 2014.

NOTE 8: LITIGATION

The Township is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the Township's legal counsel would not be material.

NOTE 9: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2014, the Township does not believe that any material liabilities will result from such audits.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2014 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Township has a reserved balance of \$308,002.44 for tax appeals.

NOTE 11: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Township's expendable trust fund for the current and previous two years:

NOTE 11: RISK MANAGEMENT (CONTINUED)

<u>Year</u>	<u>Interest Earned</u>	<u>Employee &amp; Budget Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 172.82	\$ 732.19	\$ 10,673.41	\$ 55,488.31
2013	86.13	10,182.71	2,948.73	65,256.71
2012	49.39	19,886.97	2,756.94	57,936.60

NOTE 12: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by the Variable Annuity Life Insurance Company (VALIC).

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

The Township approved a voluntary Length of Service Awards Program (LOSAP) on May 3, 1999. Under the program, a fixed amount of funds may be contributed on behalf of those volunteer fire and medical personnel which meet the eligibility criteria adopted by the governing body of the Township. The Township's sponsoring agency is Lincoln National, with the maximum contribution per volunteer set at \$800.00 for 2014.

The accompanying financial statements do not include the Township's Length of Service Awards Program's activities. The Township's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

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:

	Balance December 31, <u>2014</u>	Raised <u>2015 Budget</u>
Current Fund:		
Emergency-Superstorm Sandy	\$155,396.53	\$155,396.53
Emergency-Legal Services	\$395,000.00	\$395,000.00

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 4,989.59	\$ 17,200.41
Grant Fund	17,200.41	
Animal Control Trust Fund		3.49
Trust Other Fund	1,874.53	1,931.58
General Capital Fund		580.92
Net Payroll		4,348.13
	<u>\$ 24,064.53</u>	<u>\$ 24,064.53</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 16: GASB 45 - OTHER POST-RETIREMENT BENEFITS

Plan Description. The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.* to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

Funding Policy. Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Township's contributions to SHBP for the years ended December 31, 2014, 2013, and 2012 were \$518,865.93, \$529,105.86, and \$458,216.05, respectively, which equaled the required contributions for each year.

NOTE 17: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through July 16, 2015 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no subsequent events needed to be disclosed.

TOWNSHIP OF READINGTON

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2013	A	\$ 5,816,356.50	\$ - 0 -
Increased by Receipts:			
Taxes Receivable	A-8	\$ 72,143,132.06	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-7	143,094.51	
Interfunds	A-12	2,972.26	
Due Current Fund	A-10		15,283.90
Petty Cash	A-5	200.00	
2014 Appropriation Refunds	A-3	763,728.84	
Revenue Accounts Receivable	A-13	4,560,335.48	
Miscellaneous Revenue Not Anticipated	A-2	89,874.01	
Tax Overpayments	A-17	19,592.26	
Prepaid Taxes	A-18	358,686.71	
Grants Receivable	A-30		75,410.43
Due State of New Jersey:			
Marriage and Domestic Partnerships	A-19	1,950.00	
Construction Code	A-21	27,882.00	
Reserve for Due County Food Inspectors	A-15	13,325.00	
Reserve for Sale of Assets	A-25	7,775.63	
Reserve for Outside Liens	A-22	661,660.21	
Reserve for Due to Fire Companies	A-20	12,906.35	
Reserve for Tax Sale Premiums	A-31	406,700.00	
		79,213,815.32	90,694.33
		\$ 85,030,171.82	\$ 90,694.33
Decreased by Disbursements:			
2014 Appropriations	A-3	\$ 17,812,151.46	\$
Appropriation Reserves	A-14	419,301.50	
Interfunds	A-12	36,079.53	
Accounts Payable	A-35		944.00
Tax Overpayments	A-17	32,379.72	
Regional District School Taxes Payable	A-27	18,306,232.00	
Local District School Taxes Payable	A-28	28,693,682.00	
County Taxes Payable	A-26	11,536,665.50	
Municipal Open Space Taxes Payable	A-29	533,933.36	
Due State of New Jersey:			
Marriage and Domestic Partnerships	A-19	1,775.00	
Construction Code	A-21	28,082.00	
Reserve for Due County-Food Inspection	A-15	14,875.00	
Reserve for Outside Liens	A-22	661,660.21	
Reserve for Tax Sale Premiums	A-31	288,500.00	
Reserve for Due to Fire Companies	A-20	12,906.35	
Reserve for Tax Appeals	A-34	61,997.56	
Petty Cash	A-5	200.00	
Reserve for Grants-Appropriated	A-23		89,750.33
		78,440,421.19	90,694.33
Balance, December 31, 2014	A	\$ <u>6,589,750.63</u>	\$ <u>- 0 -</u>



"A-5"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF PETTY CASH

REF.

Increased by:  
Disbursements

A-4

\$ 200.00

Decreased by:  
Receipts

A-4

\$ 200.00

"A-6"

SCHEDULE OF CHANGE FUND

OFFICE

Tax Collector  
Municipal Court  
Police Department

BALANCE  
DECEMBER 31,  
2013 AND  
2014

\$ 150.00  
200.00  
100.00

\$ 450.00

REF.

A

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2013 (Due From)	A		\$ 37,207.01
Increased by:			
Received From State	A-4	\$ 143,094.51	
Senior and Veterans Deductions Disallowed by Tax Collector	A-7	<u>2,737.67</u>	
			\$ <u>145,832.18</u>
Decreased by:			
Senior and Veterans Deductions Per Tax Billing	A-7	\$ 146,000.00	
Senior and Veterans Deductions Allowed by Tax Collector	A-7	<u>11,212.64</u>	
			\$ <u>157,212.64</u>
Balance, December 31, 2014 (Due From)	A		\$ <u><u>48,587.47</u></u>

ANALYSIS OF STATE SHARE OF 2014 SENIOR  
CITIZENS AND VETERANS DEDUCTIONS

Senior Deductions Per Tax Billing	A-7	\$ 146,000.00	
Senior and Veterans Deductions Allowed by Collector	A-7	<u>11,212.64</u>	
			\$ 157,212.64
Less:			
Senior and Veterans Deductions Disallowed by Tax Collector	A-7		<u>2,737.67</u>
	A-8		\$ <u><u>154,474.97</u></u>

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE	2014 LEVY	ADDED TAXES	COLLECTIONS		CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE
	DECEMBER 31, 2013			2013	2014			DECEMBER 31, 2014
Prior 2014	\$ 1,289,488.03	\$ 72,472,099.67	\$ 172,799.12	\$ 341,725.39	\$ 71,446,525.11	\$ 25,847.32	\$ 3,689.68	\$ 399,157.08
	<u>\$ 1,289,488.03</u>	<u>\$ 72,472,099.67</u>	<u>\$ 172,799.12</u>	<u>\$ 341,725.39</u>	<u>\$ 72,336,856.06</u>	<u>\$ 25,847.32</u>	<u>\$ 3,689.68</u>	<u>\$ 1,226,268.37</u>

REF. A A-2:A-18 A-2 A-9 A

REF.

Collector	A-4	\$ 72,143,132.06
Overpayments Applied	A-17	39,249.03
Senior Citizens and Veterans Deductions	A-7	<u>154,474.97</u>
		<u>\$ 72,336,856.06</u>

ANALYSIS OF 2014 PROPERTY TAX LEVY

TAX YIELD

General Property Tax		\$ 72,472,099.67
Added Taxes (54:4-63.1 et seq.)		<u>172,799.12</u>
		<u>\$ 72,644,898.79</u>

TAX LEVY

Local District School Tax (Abstract)	A-2:A-28	\$ 28,693,682.00
Regional District School Tax (Abstract)	A-2:A-27	18,306,232.00
County Tax (Abstract)		\$ 9,599,171.44
County Library Tax (Abstract)		960,967.77
County Open Space (Abstract)		<u>934,612.81</u>
Due County for Added Taxes (54:4-63.1 et seq.)	A-26	\$ 11,494,752.02
<u>Total County Taxes</u>	A-26	<u>27,488.52</u>
	A-2	11,522,240.54
Municipal Open Space Tax	A-29	\$ 532,663.00
Added Taxes	A-29	<u>1,270.36</u>
	A-2	533,933.36
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 13,423,115.00
Add: Additional Tax Levied		<u>165,695.89</u>
Local Tax for Municipal Purposes Levied		13,588,810.89
		<u>\$ 72,644,898.79</u>

"A-9"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2013	A	\$	98,850.15
Increased by:			
Transfer From Taxes Receivable	A-8		<u>3,689.68</u>
Balance, December 31, 2014	A	\$	<u><u>102,539.83</u></u>

"A-10"

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2013 (Due From)	A	\$	33,158.60
Increased by:			
Grants Receivable Canceled	A-30		<u>2,200.00</u>
		\$	<u>35,358.60</u>
Decreased by:			
Receipts	A-4	\$	15,283.90
Grants Reserved Canceled	A-23		<u>2,874.29</u>
			<u>18,158.19</u>
Balance, December 31, 2014 (Due From)	A	\$	<u><u>17,200.41</u></u>

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ 140,463.54
Increased by:		
2014 Budget Appropriations	A-3	<u>186,425.06</u>
		\$ <u>326,888.60</u>
Decreased by:		
Transferred to Appropriation Reserves	A-14	<u>140,463.54</u>
Balance, December 31, 2014	A	\$ <u><u>186,425.06</u></u>



TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>ACCRUED</u>	<u>COLLECTED</u>
Clerk:			
Licenses:			
Alcoholic Beverages	A-2	\$ 20,396.40	\$ 20,396.40
Fees and Permits	A-2	37,593.60	37,593.60
Interest and Costs on Taxes	A-2	247,164.85	247,164.85
Construction Code Official	A-2	541,438.51	541,438.51
Fire Safety:			
Fees and Permits	A-2	66,073.50	66,073.50
Planning & Zoning Board:			
Fees and Permits	A-2	25,409.63	25,409.63
Public Works:			
Fees and Permits	A-2	13,545.00	13,545.00
Health Department and Registrar:			
Fees and Permits	A-2	37,971.00	37,971.00
Municipal Court:			
Fines and Costs	A-2	116,634.45	116,634.45
Police:			
Fees and Permits	A-2	3,546.58	3,546.58
Interest on Investments and Deposits	A-2	20,346.55	20,346.55
Energy Receipts Tax	A-2	1,421,711.00	1,421,711.00
Garden State Trust Fund	A-2	3,962.00	3,962.00
FEMA Sandy Aid	A-2	1,322,726.96	1,322,726.96
Sewer Expansion Trust Reserve	A-2	265,000.00	265,000.00
Housing Trust Fund Balance	A-2	60,000.00	60,000.00
Capital Fund Balance	A-2	330,000.00	330,000.00
Fire Safety - Life Hazard Use Fees	A-2	26,815.45	26,815.45
		<u>\$ 4,560,335.48</u>	<u>\$ 4,560,335.48</u>
	<u>REF.</u>		A-4

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2013	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>					
Administrative and Executive	\$ 23.93	\$	\$ 23.93	\$	\$ 23.93
Financial Administration	11,911.37		11,911.37		11,911.37
Revenue Administration	28.20		28.20		28.20
Assessment of Taxes	23.56		23.56		23.56
Public Buildings and Grounds	406.20		406.20		406.20
Planning Board	166.45		166.45		166.45
Police	9,054.90		9,054.90		9,054.90
Crossing Guards	8,500.58		8,500.58		8,500.58
Emergency Management	32.58		32.58		32.58
Road Repairs	14,522.65		14,522.65		14,522.65
Board of Health	1,526.32		1,526.32		1,526.32
Administration of Public Assistance	471.00		471.00		471.00
Recreation	8,326.71		8,326.71		8,326.71
Expense of Participation in Free County Library	4,235.32		4,235.32		4,235.32
Museum	4,076.25		4,076.25		4,076.25
Construction Official	3,107.07		3,107.07		3,107.07
U.N. Fire	18.46		18.46		18.46
Court	289.12		289.12		289.12
<u>OTHER EXPENSES</u>					
Administrative and Executive	5,243.56	4,135.47	9,379.03	9,377.17	1.86
Elections	978.23		978.23	880.00	98.23
Financial Administration	7,554.53	151.52	7,706.05	4,247.20	3,458.85
Revenue Administration	5,126.81		5,126.81	407.50	4,719.31
Revision of Tax Map	5,415.50		5,415.50		5,415.50
Assessment of Taxes	5,630.76		5,630.76		5,630.76
Legal Services and Costs	18,814.21	11,816.66	30,630.87	13,342.63	17,288.24
Prosecutor	5,421.19	2,165.63	7,586.82	4,764.38	2,822.44
Engineering Services and Costs	15,777.90		15,777.90	12,218.12	3,559.78
Buildings & Grounds	13,354.89	4,460.23	17,815.12	6,420.80	11,394.32
Environmental Health Services	2,547.16		2,547.16	1,052.77	1,494.39
Planning Board	41.85	50.84	92.69	50.84	41.85
Board of Adjustments	359.50	364.84	724.34	402.32	322.02
Consultants	15,142.43		15,142.43	8,854.08	6,288.35
Equipment For Volunteer Fire Company	1,551.39	6,180.00	7,731.39	7,731.00	0.39
Training Fire Personnel	5,637.03		5,637.03	5,628.89	8.14
Supplemental Fire Service Program	1,858.46	1,436.29	3,294.75	3,294.53	0.22
Police	38,746.63	18,551.81	57,298.44	57,237.53	60.91
Aid to First Aid	12,013.09		12,013.09	12,013.09	
Road Repairs	84,525.53	41,188.41	125,713.94	63,054.74	62,659.20
Snow Removal	73,259.67	380.00	73,639.67	63,776.35	9,863.32
Recycling	48,669.63	373.43	49,043.06	48,690.67	352.39
Board of Health	1,235.29	934.00	2,169.29	1,118.00	1,051.29
Emergency Management	392.20	1,921.62	2,313.82	1,921.62	392.20
Public Assistance	1,372.82		1,372.82	38.00	1,334.82
Aid to Charities	1,500.00		1,500.00		1,500.00
Recreation	3,723.46	787.50	4,510.96	787.50	3,723.46
Celebration of Public Events	197.08	63.00	260.08	63.00	197.08
Senior Citizens	744.19		744.19	94.65	649.54
Visiting Health Services	1,100.00		1,100.00		1,100.00
Library	3,337.82	206.30	3,544.12	593.80	2,950.32
Museum	6,535.53	694.06	7,229.59	1,484.16	5,745.43
Historic Preservation	2,481.52		2,481.52		2,481.52
Construction	9,234.13	21,949.06	31,183.19	21,992.92	9,190.27
Fire Hydrant	7,450.95	11.04	7,461.99	7,075.54	386.45
Electricity	5,426.63		5,426.63	5,424.24	2.39
Street lighting	11,617.21		11,617.21		11,617.21
Telephone	5,449.04	851.73	6,300.77	897.41	5,403.36
Gasoline	19,561.59	17,480.25	37,041.84	34,595.04	2,446.80



TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2013	ACCOUNTS PAYABLE	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>					
Contingent	\$ 1,740.00	\$	\$ 1,740.00	\$	\$ 1,740.00
Contribution to Social Security System	29,687.44		29,687.44	10,403.04	19,284.40
Court	3,114.01	2,007.21	5,121.22	2,255.77	2,865.45
U.N. Fire	274.72		274.72		274.72
Public Defender	8,191.75		8,191.75	2,719.50	5,472.25
General Liability Insurance	25,987.32		25,987.32		25,987.32
Group Health	20,870.15		20,870.15	734.30	20,135.85
PEOSHA	1,444.61	2,302.64	3,747.25	3,658.40	88.85
	<u>\$ 607,060.08</u>	<u>\$ 140,463.54</u>	<u>\$ 747,523.62</u>	<u>\$ 419,301.50</u>	<u>\$ 328,222.12</u>
<u>REF.</u>	A	A-11		A-4	A-1

"A-15"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR DUE COUNTY FOOD INSPECTORS

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ 2,125.00
Increased by:		
Receipts	A-4	13,325.00
		\$ <u>15,450.00</u>
Decreased by:		
Disbursements	A-4	<u>14,875.00</u>
Balance, December 31, 2014	A	\$ <u><u>575.00</u></u>

"A-16"

SCHEDULE OF RESERVE FOR FEMA UNAPPROPRIATED

Balance, December 31, 2013	A	\$ <u>914,558.10</u>
Decreased by:		
Applied to Revenue	A-2	\$ <u><u>914,558.10</u></u>

"A-17"

TOWNSHIP OF READINGTON  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2013	A	\$	115,942.76
Increased by:			
Overpayments in 2014	A-4		<u>19,592.26</u>
		\$	<u>135,535.02</u>
Decreased by:			
Refunded	A-4	\$	32,379.72
Overpayments Applied	A-8		<u>39,249.03</u>
			<u>71,628.75</u>
Balance, December 31, 2014	A	\$	<u><u>63,906.27</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2013	A	\$	341,725.39
Increased by:			
Collection of 2015 Taxes	A-4		<u>358,686.71</u>
		\$	<u>700,412.10</u>
Decreased by:			
Application to 2014 Taxes	A-8		<u>341,725.39</u>
Balance, December 31, 2014	A	\$	<u><u>358,686.71</u></u>

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR MARRIAGE AND DOMESTIC PARTNERSHIP LICENSES  
DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ 325.00
Increased by:		
Receipts	A-4	1,950.00
		<u>\$ 2,275.00</u>
Decreased by:		
Disbursements	A-4	1,775.00
		<u>1,775.00</u>
Balance, December 31, 2014	A	<u><u>\$ 500.00</u></u>

SCHEDULE OF RESERVE FOR DUE TO FIRE COMPANIES

Increased by:		
Receipts	A-4	\$ 12,906.35
Decreased by:		
Disbursements	A-4	12,906.35
		<u><u>\$ 12,906.35</u></u>

"A-21"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR CONSTRUCTION CODE DCA - DUE STATE OF N.J.

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ 7,478.00
Increased by:		
Receipts	A-4	<u>27,882.00</u>
		\$ <u>35,360.00</u>
Decreased by:		
Disbursements	A-4	<u>28,082.00</u>
Balance, December 31, 2014	A	\$ <u><u>7,278.00</u></u>

"A-22"

SCHEDULE OF RESERVE FOR OUTSIDE LIENS

Increased by:		
Receipts	A-4	\$ <u>661,660.21</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>661,660.21</u></u>

TOWNSHIP OF READINGTON

GRANT FUND

SCHEDULE OF GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2013	BUDGET APPROPRIATION	EXPENDED	CANCELED	BALANCE DECEMBER 31, 2014
NJ Body Armor	\$ 1,099.51	\$ 2,524.43	\$ 3,623.94	\$	\$
Drunk Driving Enforcement Fund		8,138.66	4,548.88		3,589.78
Alcohol Education Rehabilitation	2,370.94	4,549.17	504.44		6,415.67
NJ State Police - Cert. Trailer	155.49		155.49		
Police - Drive Sober	4,400.00		2,200.00	2,200.00	
Museum - NJ Historical Commission	5,420.50	10,841.00	10,841.00		5,420.50
Police Donation - Delllo Pello	674.29			674.29	
Emergency Management Performance	12,450.00	10,000.00	22,450.00		
Clean Communities		45,426.58	45,426.58		
	<u>\$ 26,570.73</u>	<u>\$ 81,479.84</u>	<u>\$ 89,750.33</u>	<u>\$ 2,874.29</u>	<u>\$ 15,425.95</u>
<u>REF.</u>	A	A-3:A-30	A-4	A-10	A

"A-24"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR MASTER PLAN

REF.

Balance, December 31, 2013 and December 31, 2014	A	\$ <u>83,310.95</u>
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"A-25"

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Balance, December 31, 2013	A	\$ 30,471.34
Increased by:		
Receipts	A-4	<u>7,775.63</u>
		\$ 38,246.97
Decreased by:		
Applied to Revenue	A-2	<u>37,686.34</u>
Balance, December 31, 2014	A	\$ <u>560.63</u>

"A-26"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2013	A	\$ 41,913.48
Increased by:		
2014 Levy	A-1:A-8	\$ 11,494,752.02
Added and Omitted	A-1:A-8	<u>27,488.52</u>
		<u>11,522,240.54</u>
		\$ 11,564,154.02
Decreased by:		
Disbursements	A-4	<u>11,536,665.50</u>
Balance, December 31, 2014	A	\$ <u>27,488.52</u>

"A-27"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAXES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ 3,052,130.18
Increased by:		
School Levy	A-1:A-8	<u>18,306,232.00</u>
		\$ <u>21,358,362.18</u>
Decreased by:		
Disbursements	A-4	<u>18,306,232.00</u>
Balance, December 31, 2014	A	\$ <u><u>3,052,130.18</u></u>

"A-28"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:		
School Levy	A-1:A-8	\$ <u>28,693,682.00</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>28,693,682.00</u></u>

"A-29"

SCHEDULE OF MUNICIPAL OPEN SPACE TAXES PAYABLE

Increased by:		
2014 Tax Levy	A-1:A-8	\$ 532,663.00
Added Taxes	A-1:A-8	<u>1,270.36</u>
		\$ <u>533,933.36</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>533,933.36</u></u>



TOWNSHIP OF READINGTON

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2013	BUDGET APPROPRIATION	RECEIPTS	UNAPROPRIATED APPLIED	CANCELED	BALANCE DECEMBER 31, 2014
Clean Communities	\$	\$ 45,426.58	\$ 45,426.58	\$	\$	\$
Body Armor		2,524.43	2,524.43			
Alcohol Education Rehabilitation		4,549.17	4,549.17			
Museum - NJ Historical Commission	5,420.50	10,841.00	10,710.25			5,551.25
Police - Drive Sober	4,400.00		2,200.00		2,200.00	
Drunk Driving Enforcement Fund		8,138.66		8,138.66		
Emergency Management Performance		10,000.00	10,000.00			
	<u>\$ 9,820.50</u>	<u>\$ 81,479.84</u>	<u>\$ 75,410.43</u>	<u>\$ 8,138.66</u>	<u>\$ 2,200.00</u>	<u>\$ 5,551.25</u>
<u>REF.</u>	A	A-2:A-23	A-4	A-33	A-10	A

"A-31"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ 487,500.00
Increased by:		
Receipts	A-4	406,700.00
		<u>\$ 894,200.00</u>
Decreased by:		
Disbursements	A-4	<u>288,500.00</u>
Balance, December 31, 2014	A	<u><u>\$ 605,700.00</u></u>

"A-32"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2013	A	\$ 2,400,000.00
Increased by:		
2014 Emergencies	A-3	395,000.00
		<u>2,795,000.00</u>
Decreased by:		
Raised in 2014 Budget	A-3	<u>2,244,603.47</u>
Balance, December 31, 2014	A	<u><u>\$ 550,396.53</u></u>
<u>Analysis of Balance:</u>		
Superstorm Sandy		\$ 155,396.53
Emergency - Legal Services		<u>395,000.00</u>
		<u><u>\$ 550,396.53</u></u>

"A-33"

TOWNSHIP OF READINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

	<u>REF.</u>	
Balance, December 31, 2013	A	\$ <u>8,138.66</u>
Decreased by:		
Applied to Receivable	A-30	\$ <u><u>8,138.66</u></u>

"A-34"

SCHEDULE OF RESERVE FOR TAX APPEALS

Balance, December 31, 2013	A	\$ 370,000.00
Decreased by:		
Disbursements	A-4	<u>61,997.56</u>
Balance, December 31, 2014	A	\$ <u><u>308,002.44</u></u>

"A-35"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE - GRANT FUND

Balance, December 31, 2013	A	\$ 8,269.71
Decreased by:		
Disbursements	A-4	<u>944.00</u>
Balance, December 31, 2014	A	\$ <u><u>7,325.71</u></u>

TOWNSHIP OF READINGTON

TRUST FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>TRUST OTHER</u>
Balance, December 31, 2013	B	\$ <u>5,615.30</u>	\$ <u>2,037,675.18</u>
Increased by Receipts:			
Due Current Fund - Trust Fund	B-3	\$	\$ 24,227.31
Due Current Fund - Animal Control Trust	B-5	48.77	
Reserve for Animal Control Fund Expenditures	B-7	41,850.00	
Due State of New Jersey	B-6	1,460.40	
Prepaid Dog Licenses	B-2	912.00	
Reserve for Miscellaneous Trust Deposits	B-4		5,615,757.61
Intrafund - Driveway Maintenance/General Trust	B-10		302.28
		\$ <u>44,271.17</u>	\$ <u>5,640,287.20</u>
		\$ <u>49,886.47</u>	\$ <u>7,677,962.38</u>
Decreased by Disbursements:			
Due Current Fund - Trust Fund	B-3	\$	\$ 4,134.76
Due Current Fund - Animal Control Trust	B-5	446.12	
Reserve for Animal Control Fund Expenditures	B-7	38,277.16	
Due Net Payroll - Payroll Deduction	B-9		1,075.01
Miscellaneous Trust Deposits	B-4		5,941,268.89
Due State of New Jersey	B-6	1,460.40	
Intrafund - Driveway Maintenance / General Trust	B-10		302.28
		\$ <u>40,183.68</u>	\$ <u>5,946,780.94</u>
Balance, December 31, 2014	B	\$ <u>9,702.79</u>	\$ <u>1,731,181.44</u>

TOWNSHIP OF READINGTON  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF PREPAID DOG LICENSES

	<u>REF.</u>	
Balance, December 31, 2013	B	\$ 633.00
Increased by:		
Receipts	B-1	912.00
		<u>\$ 1,545.00</u>
Decreased by:		
Applied	B-7	633.00
Balance, December 31, 2014	B	<u><u>\$ 912.00</u></u>

TOWNSHIP OF READINGTON

TRUST FUND

SCHEDULE OF DUE CURRENT FUND-OTHER TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2013			
Due From	B	\$ 18,673.08	
Due To	B	<u>(512.11)</u>	
			\$ 18,160.97
Increased by:			
Disbursements	B-1		<u>4,134.76</u>
			\$ 22,295.73
Decreased by:			
Receipts	B-1		<u>24,227.31</u>
Balance, December 31, 2014 (Due To)	B		<u><u>\$ 1,931.58</u></u>

Analysis of Balance:

Due To Current Fund:			
General			\$ 30.79
Recreation			41.33
Driveway Apron/Maintenance			27.61
Board of Health Escrow			32.36
Developers Escrow			104.26
Payroll Agency			<u>1,695.23</u>
			<u><u>\$ 1,931.58</u></u>

TOWNSHIP OF READINGTON

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	BALANCE DECEMBER 31, 2013	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2014
Open Space	\$ 29,063.31	\$ 533,950.22	\$ 530,000.00	\$ 33,013.53
State Unemployment Insurance	65,256.71	905.01	10,673.41	55,488.31
General:				
Hunting Escrow	3,848.00	2,979.00	3,228.00	3,599.00
Police Escrow	24,023.64	69,318.23	69,941.06	23,400.81
Police Donations	20.00			20.00
Public Defender	11,355.50	11,725.50	14,000.00	9,081.00
Parking Offense Adjudication Act Assistance	60.00	6.00		66.00
Library	8,400.72			8,400.72
Rent Security	9,672.19	850.00		10,522.19
Museum	6,327.34			6,327.34
Trail Association	30,482.55	8,927.97	2,509.56	36,900.96
Length of Service Awards Program	1,500.00			1,500.00
Board of Health Escrow	3,581.82	3,581.82	3,581.82	3,581.82
Housing:	138,463.62	26,250.00	15,478.89	149,234.73
Deposits	93,122.83	196,584.55	157,361.57	132,345.81
Loans Receivable	400,000.00			400,000.00
COAH	67,120.61	28.14	65,000.00	2,148.75
Developers Escrow	1,227,872.49	342,507.02	659,571.91	910,807.60
Recreation	128,092.87	694,046.89	709,876.31	112,263.45
Driveway Apron/Maintenance	121,801.55	6,125.00		127,926.55
Payroll Deduction	86,181.40	3,716,243.18	3,698,318.36	104,106.22
Flexible Spending		1,728.00	1,728.00	
Forfeited Funds	388.52	1.08		389.60
	<u>\$ 2,456,635.67</u>	<u>\$ 5,615,757.61</u>	<u>\$ 5,941,268.89</u>	<u>\$ 2,131,124.39</u>

REF.

B

B-1

B-1

B

"B-5"

TOWNSHIP OF READINGTON  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2013 (Due To)	B	\$	400.84
Increased by:			
Receipts	B-1		48.77
		\$	<u>449.61</u>
Decreased by:			
Disbursements	B-1		<u>446.12</u>
Balance, December 31, 2014 (Due To)	B	\$	<u><u>3.49</u></u>

"B-6"

ANIMAL CONTROL TRUST FUND  
SCHEDULE OF DUE STATE OF NEW JERSEY

Increased by:			
Receipts	B-1	\$	1,460.40
Decreased by:			
Disbursements	B-1	\$	<u>1,460.40</u>



TOWNSHIP OF READINGTON

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2013	B		\$ 4,581.46
Increased by:			
License and Late Fees	B-1	\$ 16,850.00	
Budget Appropriation	B-1	25,000.00	
Prepaid Licenses Applied	B-2	<u>633.00</u>	
			<u>42,483.00</u>
			\$ 47,064.46
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-1		<u>38,277.16</u>
Balance, December 31, 2014	B		<u>\$ 8,787.30</u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2013	\$ 12,516.60
2012	<u>10,724.80</u>
	<u>\$ 23,241.40</u>

"B-8"

TOWNSHIP OF READINGTON

TRUST FUND

SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2013 and December 31, 2014	B	\$ <u>400,000.00</u>

"B-9"

SCHEDULE OF DUE NET PAYROLL - PAYROLL DEDUCTION

Balance, December 31, 2013 (Due From)	B	\$ 799.52
Increased by: Disbursements	B-1	<u>1,075.01</u>
Balance, December 31, 2014 (Due From)	B	\$ <u>1,874.53</u>

TOWNSHIP OF READINGTON

TRUST FUND

SCHEDULE OF INTRAFUND - GENERAL TRUST AND DRIVEWAY MAINTENANCE

	<u>REF.</u>			
Balance, December 31, 2013				
Due To General Trust - Driveway Maintenance	B	\$	302.28	
Due From Driveway Maintenance - General Trust	B		<u>(302.28)</u>	
				\$ 0.00
Increased by:				
Receipts	B-1			<u>302.28</u>
				\$ <u>302.28</u>
Decreased by:				
Disbursements	B-1			<u>\$ <u>302.28</u></u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2013	C		\$ 2,022,584.71
Increased by Receipts:			
Deferred Charges to Future Taxation - Unfunded	C-7	\$ 987,341.64	
Capital Improvement Fund	C-8	75,000.00	
Bond Anticipation Notes	C-13	31,800,000.00	
Accounts Receivable	C-15	18,202.87	
Due Current Fund	C-4	1,746.36	
New Authorization-Recreation Trust	C-9	15,000.00	
New Authorization-Housing Trust	C-9	145,000.00	
Improvement Authorization Refunds	C-9	67,144.50	
Reserve for Capital Projects	C-6	521,477.00	
Fund Balance	C-1	254,567.29	
			<u>33,885,479.66</u>
			\$ 35,908,064.37
Decreased by Disbursements:			
Improvement Authorizations	C-9	\$ 1,581,401.34	
Bond Anticipation Notes	C-13	33,300,000.00	
Fund Balance	C-1	330,000.00	
Due Current Fund	C-4	1,360.74	
			<u>35,212,762.08</u>
Balance, December 31, 2014	C		\$ <u>695,302.29</u>

"C-3"

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2014
Capital Improvement Fund	\$ 110,979.40
Cash on Hand to Pay Notes	200,879.23
Improvement Authorizations Expended	(1,907,503.08)
Unexpended Proceeds of Notes	415,477.42
Reserve for Capital Projects	121,490.00
Due Current Fund	580.92
Contracts Payable	660,315.04
Fund Balance	350,515.20
Improvement Authorizations Funded	742,568.16
	<hr/>
	\$ 695,302.29
	<hr/> <hr/>
<u>REF.</u>	C

"C-4"

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2013 (Due To)	C	\$ 195.30
Increased by:		
Receipts	C-2	1,746.36
		<hr/>
		\$ 1,941.66
Decreased by:		
Disbursements	C-2	1,360.74
		<hr/>
Balance, December 31, 2014 (Due To)	C	\$ 580.92
		<hr/> <hr/>

"C-5"

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2013	C		\$ 23,035,245.47
Increased by:			
Refunding Bonds Issued	C-11		7,945,000.00
			<u>\$ 30,980,245.47</u>
Decreased by:			
Bonds Paid by Budget & Refunded	C-11	\$ 9,915,000.00	
Loans Paid by Budget and Open Space	C-10	<u>396,589.51</u>	
			<u>10,311,589.51</u>
Balance, December 31, 2014	C		<u>\$ 20,668,655.96</u>

"C-6"

SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

Balance, December 31, 2013	C		\$ 117,250.00
Increased by:			
Receipts	C-2		521,477.00
			<u>\$ 638,727.00</u>
Decreased by:			
Accounts Payable	C-12		<u>517,237.00</u>
Balance, December 31, 2014	C		<u>\$ 121,490.00</u>

Analysis of Balance

County Line Road Project			\$ 117,250.00
Emergency Vehicles			<u>4,240.00</u>
County Line Road Project			<u>\$ 121,490.00</u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014		BALANCE DECEMBER 31, 2014	ANALYSIS OF BALANCE - DECEMBER 31, 2014		
			AUTHORIZATIONS	RECEIPTS		BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
03-08/05-1	Acquisition of Property - Eggerman	\$ 75,448.02	\$	\$	\$ 75,448.02	\$	\$ 75,448.02	\$
03-18	Acquisition of Property - YES Farms	50,000.00			50,000.00		50,000.00	
03-24/04-27	Acquisition of Property - O'Urso	805,223.65			805,223.65		805,223.65	
04-35	Acquisition of Development Rights - Hamewith Farms	24,420.27		24,420.27				
04-41	Acquisition of Property - Ilva Saronno Corp.	78,490.99		78,490.99				
05-08	Acquisition of Land	34,556.83		34,556.83				
05-13	Acquisition of Development Rights - Staats	18,047.38		18,047.38				
05-17	Acquisition of Development Rights - Amaudy	8,437.69		8,437.69				
05-22/14-19	Various Capital Improvements		400,300.00		400,300.00			400,300.00
05-31	Acquisition of Development Rights - Padovani	18,669.87		18,669.87				
06-04	Acquisition of Property - Solberg Airport	21,145,072.90		268,000.00	20,877,072.90	20,877,072.90		
06-11	Acquisition of Property - Cuchiaro	8,839.65		8,839.65				
06-41	Various Capital Improvements	599,872.33		60,000.00	539,872.33	539,872.00		0.33
07-37	Acquisition of Conservation Easement - CSEPI	274,909.25		51,279.53	223,629.72	223,629.72		
07-39	Acquisition of Property - Holland Brook	77,593.34		1,000.00	76,593.34	76,593.00	0.34	
08-05	Various Capital Improvements	1,300,894.92		72,500.00	1,228,394.92	1,228,394.92		
08-20	Acquisition of Development Rights - James	141,161.20		2,000.00	139,161.20	139,161.00	0.20	
08-26	Acquisition of Development Rights - SAQA	773,819.79		10,000.00	763,819.79	763,819.79		
09-15	Various Capital Improvements	1,334,750.00		70,500.00	1,264,250.00	1,264,250.00		
09-22	Acquisition of Property	1,502,092.00		27,500.00	1,474,592.00	1,474,592.00		
09-23	Acquisition of Property	1,530,365.98		20,000.00	1,510,365.98	1,510,365.98		
09-29	Acquisition of Property	250,217.99		3,500.00	246,717.99	246,717.99		
09-31	Acquisition of Property - Affordable Housing	76,274.90		1,000.00	75,274.90	75,274.90		
10-09	Sewer Improvements - Mimosa and Pulaski	107,951.07		2,000.00	105,951.07	105,951.00	0.07	
10-13	Overlay of Various Roads	976,000.00		53,500.00	922,500.00	922,500.00		
11-09	Various Capital Improvements	1,255,900.00		153,099.43	1,102,800.57	1,102,800.57		
12-15	Various Capital Improvements	1,022,830.00			1,022,830.00	1,022,830.00		
12-29	Acquisition of Property - Yard/Smith	74,168.45			74,168.45	25,295.00	48,873.45	
14-11	Various Capital Improvements		2,405,685.00		2,405,685.00		927,957.35	1,477,727.65
14-12	Refunding Bond		750,000.00		750,000.00			750,000.00
14-21	Acquisition of Property - Affordable Housing		408,500.00		408,500.00			408,500.00
		<u>\$ 33,566,008.47</u>	<u>\$ 3,964,485.00</u>	<u>\$ 987,341.64</u>	<u>\$ 36,543,151.83</u>	<u>\$ 31,599,120.77</u>	<u>\$ 1,907,503.08</u>	<u>\$ 3,036,527.98</u>
	REF.	C	C-9	C-2	C		C-3	
Bond Anticipation Notes Payable	C-13					\$ 31,800,000.00		
Less: Cash on Hand to Pay Notes	C-3					(200,879.23)		
						<u>\$ 31,599,120.77</u>		
Improvement Authorizations Unfunded	C-9							\$ 3,452,005.40
Less: Unexpended Proceeds of Notes	C-3							(415,477.42)
								<u>\$ 3,036,527.98</u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2013	C		\$ 150,891.50
Increased by:			
Collections	C-16	\$ 18,202.87	
Budget Appropriation	C-2	<u>75,000.00</u>	
			<u>93,202.87</u>
			\$ <u>244,094.37</u>
Decreased by:			
Appropriated to Finance			
Improvement Authorizations	C-9		<u>133,115.00</u>
Balance, December 31, 2014	C		\$ <u><u>110,979.37</u></u>



TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	GENERAL IMPROVEMENTS:	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2013		2014			CONTRACTS PAYABLE		BALANCE DECEMBER 31, 2014	
				FUNDED	UNFUNDED	AUTHORIZATIONS	DISBURSED	REFUNDED	NEW	CANCELED	FUNDED	UNFUNDED
05-21/06-33	Various Capital Improvements	7/18/05-8/07/06	\$ 1,712,000.00	\$ 204,671.50	\$	\$	10,244.05	\$	\$	\$	\$ 194,427.45	\$
05-22/14-19	Various Capital Improvements	7/18/05-10/6/14	1,465,300.00	449,426.22		400,300.00	14,932.01	65,700.00		2,002.00	502,196.21	400,300.00
06-41	Various Capital Improvements	11/06/06	1,740,000.00		205,153.97		25,638.56		10,585.21			168,930.20
09-15	Various Capital Improvements	04/22/09	1,485,000.00		181,165.38		79,825.98					101,339.40
09-31	Acquisition of Property-COAH	12/07/09	270,000.00		19,643.40		2,572.00					17,071.40
10-13	Overlay of Various Roads	04/19/10	1,065,000.00		111,788.32		111,788.32					
11-09	Various Capital Improvements	04/18/11	1,322,000.00		345,000.79		216,864.04					128,136.75
12-15	Road Reclamation	05/17/12	1,171,400.00		75,456.86		75,456.86					
14-11	Various Capital Improvements	4/21/14	2,532,300.00			2,532,300.00	922,079.52			132,492.83		1,477,727.65
14-12	Refunding Bond	5/19/14	750,000.00			750,000.00						750,000.00
14-17	Acquisition of Property-COAH	9/15/14	145,000.00			145,000.00	122,000.00	1,444.50			24,444.50	
14-21	Acquisition of Property - Fallone	11/17/14	430,000.00			430,000.00					21,500.00	408,500.00
				\$ 654,097.72	\$ 938,208.72	\$ 4,257,600.00	\$ 1,581,401.34	\$ 67,144.50	\$ 143,078.04	\$ 2,002.00	\$ 742,568.16	\$ 3,452,005.40
		REF.		C	C		C-2	C-2	C-12	C-12	C:C-3	C:C-7
	Deferred Charges to Future Taxation - Unfunded	C-7				\$ 3,964,485.00						
	Capital Improvement Fund	C-8				133,115.00						
	Reserve - Housing Trust	C-2				145,000.00						
	Reserve - Recreation Trust	C-2				15,000.00						
						\$ 4,257,600.00						

TOWNSHIP OF READINGTON  
GENERAL CAPITAL FUND  
SCHEDULE OF LOANS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2013	C	\$ 2,620,245.47
Decreased by:		
Loans Paid by Budget and Open Space	C-5	<u>396,589.51</u>
Balance, December 31, 2014	C	<u>\$ 2,223,655.96</u>

Analysis of Balance:

Recreation Area Acquisition		\$ 16,754.80
Rockaway Creek - 1995		10,371.99
Rockaway Creek - 1998		30,514.78
Incentive		365,430.41
Greenway Acquisition		571,826.70
Summer Road Park		202,152.93
N.J. Infrastructure:		
Dreahook Road		533,869.17
2003		136,584.14
2004		<u>356,151.04</u>
		<u>\$ 2,223,655.96</u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>OUTSTANDING DECEMBER 31, 2014</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>	
			<u>DATE</u>	<u>AMOUNT</u>						
General Improvement Bonds of 2002	August 1, 2002	\$ 6,000,000.00				\$ 1,065,000.00	\$	\$ 1,065,000.00	\$ 0.00	
General Improvement Bonds of 2005	December 15, 2005	10,000,000.00	2015	\$ 250,000.00	4.375%	8,850,000.00		8,600,000.00	250,000.00	
General Improvement Bonds of 2011	January 18, 2011	11,000,000.00	2015	795,000.00	4.000%					
			2016	720,000.00	4.000%					
			2017	340,000.00	4.000%					
			2018	380,000.00	4.000%					
			2019	420,000.00	4.000%					
			2020	470,000.00	5.000%					
			2021	265,000.00	5.000%					
			2022	320,000.00	4.200%					
			2023	370,000.00	4.500%					
			2024	430,000.00	4.625%					
			2025	490,000.00	5.000%					
			2026-2031	875,000.00	Variable					10,500,000.00
Refunding Bonds of 2014	June 26, 2014	7,945,000.00	2016	330,000.00	3.00%					
			2017	725,000.00	4.00%					
			2018	720,000.00	4.00%					
			2019-2020	715,000.00	4.00%					
			2021	960,000.00	4.00%					
			2022	955,000.00	4.00%					
			2023	950,000.00	4.00%					
			2024	940,000.00	4.00%					
			2025	935,000.00	5.00%					
						<u>\$ 20,415,000.00</u>	<u>\$ 7,945,000.00</u>	<u>\$ 9,915,000.00</u>	<u>\$ 18,445,000.00</u>	
						<u>REF.</u>	<u>C</u>	<u>C-5</u>	<u>C-5</u>	<u>C</u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2013	C		\$ 2,002.00
Increased by:			
Improvement Authorizations	C-9	143,078.04	
Reserve for Capital Projects	C-6	<u>517,237.00</u>	
			<u>660,315.04</u>
			\$ 662,317.04
Decreased by:			
Contracts Payable Canceled	C-9		<u>2,002.00</u>
Balance, December 31, 2014	C		<u><u>\$ 660,315.04</u></u>

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2014</u>
06-04	1/31/13	1/31/14	1.00%	\$ 21,145,072.90	\$	\$ 21,145,072.90	\$
06-04	1/30/14	1/29/15	1.00%		20,877,073.00		20,877,073.00
06-41	1/31/13	1/31/14	1.00%	599,872.33		599,872.33	
06-41	1/30/14	1/29/15	1.00%		539,872.00		539,872.00
07-37	1/31/13	1/31/14	1.00%	274,909.25		274,909.25	
07-37	1/30/14	1/29/15	1.00%		271,409.00		271,409.00
07-39	1/31/13	1/31/14	1.00%	77,593.34		77,593.34	
07-39	1/30/14	1/29/15	1.00%		76,593.00		76,593.00
08-05	1/31/13	1/31/14	1.00%	1,300,894.92		1,300,894.92	
08-05	1/30/14	1/29/15	1.00%		1,228,395.00		1,228,395.00
08-20	1/31/13	1/31/14	1.00%	141,161.20		141,161.20	
08-20	1/30/14	1/29/15	1.00%		139,161.00		139,161.00
08-26	1/31/13	1/31/14	1.00%	773,819.79		773,819.79	
08-26	1/30/14	1/29/15	1.00%		763,820.00		763,820.00
09-15	1/31/13	1/31/14	1.00%	1,334,750.00		1,334,750.00	
09-15	1/30/14	1/29/15	1.00%		1,264,250.00		1,264,250.00
09-22	1/31/13	1/31/14	1.00%	2,137,450.00		2,137,450.00	
09-22	1/30/14	1/29/15	1.00%		1,474,592.00		1,474,592.00
09-23	1/31/13	1/31/14	1.00%	1,530,365.98		1,530,365.98	
09-23	1/30/14	1/29/15	1.00%		1,510,366.00		1,510,366.00
09-29	1/31/13	1/31/14	1.00%	250,217.99		250,217.99	
09-29	1/30/14	1/29/15	1.00%		246,718.00		246,718.00
09-31	1/31/13	1/31/14	1.00%	76,274.90		76,274.90	
09-31	1/30/14	1/29/15	1.00%		75,275.00		75,275.00
10-09	1/31/13	1/31/14	1.00%	107,951.07		107,951.07	
10-09	1/30/14	1/29/15	1.00%		105,951.00		105,951.00
10-13	1/31/13	1/31/14	1.00%	1,011,750.00		1,011,750.00	
10-13	1/30/14	1/29/15	1.00%		922,500.00		922,500.00
11-09	1/31/13	1/31/14	1.00%	1,255,900.00		1,255,900.00	
11-09	1/30/14	1/29/15	1.00%		1,255,900.00		1,255,900.00
12-15	1/31/13	1/31/14	1.00%	1,112,830.00		1,112,830.00	
12-15	1/30/14	1/29/15	1.00%		1,022,830.00		1,022,830.00
12-29	1/31/13	1/31/14	1.00%	169,186.33		169,186.33	
12-29	1/30/14	1/29/15	1.00%		25,295.00		25,295.00
				<u>\$ 33,300,000.00</u>	<u>\$ 31,800,000.00</u>	<u>\$ 33,300,000.00</u>	<u>\$ 31,800,000.00</u>

REF.

C

C-2

C-2

C:C-7

"C-14"

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES  
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
03-08/05-01	Acquisition of Property - Eggerman	\$	75,448.02
03-18	Acquisition of Property - Y.E.S. Farms		50,000.00
03-24/04-27	Acquisition of Property - O'Urso		805,223.65
10-09	Sewer Improvements - Mimosa and Pulaski		0.07
12-29	Acquisition of Property - Yard/Smith		48,873.45
14-11	Various Capital Improvements		2,405,685.00
14-12	Refunding Bond		750,000.00
05-22/14-19	Various Sewer Improvements		400,300.00
14-21	Acquisition of Property - Fallone		408,500.00
			<hr/>
		\$	<u>4,944,030.19</u>

"C-15"

TOWNSHIP OF READINGTON

GENERAL CAPITAL FUND

SCHEDULE OF ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2013	C	\$ 63,596.05
Decreased by:		
Receipts	C-2	<u>18,202.87</u>
Balance, December 31, 2014	C	<u><u>\$ 45,393.18</u></u>

"C-16"

SCHEDULE OF RESERVE FOR ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2013	C	\$ 63,596.05
Decreased by:		
Adjustment for Receipts	C-8	<u>18,202.87</u>
Balance, December 31, 2014	C	<u><u>\$ 45,393.18</u></u>

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>TRUST</u>
Balance December 31, 2013	D	\$ <u>346,052.94</u>	\$ <u>529,104.90</u>
Increased by Receipts:			
Sewer Use Charges Receivable	D-8	\$ 1,353,644.33	\$
Miscellaneous Revenue	D-1:D-2	8,528.22	
User Fees From Other Contracts	D-1:D-2	216,160.00	
Reserve for Overpayments	D-10	2,739.65	
Reserve for Expansion	D-6		205,955.05
		\$ <u>1,581,072.20</u>	\$ <u>205,955.05</u>
		\$ <u>1,927,125.14</u>	\$ <u>735,059.95</u>
Decreased by Disbursements:			
Budget Appropriations	D-3	\$ 1,475,539.14	\$
Appropriation Reserves	D-7	45,394.87	
Reserve for Expansion	D-6		265,000.00
		\$ <u>1,520,934.01</u>	\$ <u>265,000.00</u>
Balance, December 31, 2014	D	\$ <u><u>406,191.13</u></u>	\$ <u><u>470,059.95</u></u>



"D-5"

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR REFUNDABLE HOOK-UP FEES

	<u>REF.</u>	
Balance, December 31, 2013 and December 31, 2014	D	\$ <u>3,720.25</u>

"D-6"

SCHEDULE OF RESERVE FOR EXPANSION - TRUST FUND

Balance, December 31, 2013	D	\$ 529,104.90
Increased by: Receipts	D-4	<u>205,955.05</u>
		\$ <u>735,059.95</u>
Decreased by: Disbursements	D-4	<u>265,000.00</u>
Balance, December 31, 2014	D	\$ <u>470,059.95</u>

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

SCHEDULE OF 2013 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>ACCOUNTS</u> <u>PAYABLE</u> <u>TRANSFERRED</u>	<u>MODIFIED</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:					
Other Expenses	\$ 5,484.75	\$ 2,176.12	\$ 7,660.87	\$ 2,176.12	\$ 5,484.75
Service Fees - RTMUA	<u>48,602.49</u>	<u>                    </u>	<u>48,602.49</u>	<u>43,218.75</u>	<u>5,383.74</u>
	<u>\$ 54,087.24</u>	<u>\$ 2,176.12</u>	<u>\$ 56,263.36</u>	<u>\$ 45,394.87</u>	<u>\$ 10,868.49</u>
<u>REF.</u>	D	D-9		D-4	D-1

TOWNSHIP OF READINGTON

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2013	D		\$ 103,420.81
Increased by:			
Sewer Charges Levied (Net)			1,362,548.05
			<u>\$ 1,465,968.86</u>
Decreased by:			
Receipts	D-4	\$ 1,353,644.33	
Overpayments Applied to Revenue	D-10	<u>2,936.50</u>	
			<u>1,356,580.83</u>
Balance, December 31, 2014	D		<u>\$ 109,388.03</u>

"D-9"

TOWNSHIP OF READINGTON  
SEWER UTILITY FUND  
SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2013	D	\$ 2,176.12
Increased by:		
Appropriations	D-3	8,659.54
		\$ <u>10,835.66</u>
Decreased by:		
Transferred to Appropriation Reserves	D-7	<u>2,176.12</u>
Balance, December 31, 2014	D	\$ <u><u>8,659.54</u></u>

"D-10"

SCHEDULE OF RESERVE FOR SEWER OVERPAYMENTS

Balance, December 31, 2013	D	\$ 2,936.50
Increased by:		
Receipts	D-4	2,739.65
		\$ <u>5,676.15</u>
Decreased by:		
Applied to Revenue	D-8	<u>2,936.50</u>
Balance, December 31, 2014	D	\$ <u><u>2,739.65</u></u>

TOWNSHIP OF READINGTON

PART II

REPORTS 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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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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

The Honorable Mayor and Members  
of the Township Committee  
Township of Readington  
County of Hunterdon  
509 Route 523  
Whitehouse Station, New Jersey 08889

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Readington, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated July 16, 2015. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Readington prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the regulatory financial statements, we considered the Township's 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 Township's internal control.

# SUPLEE, CLOONEY & COMPANY

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 Township of Readington'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 regulatory 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*. However, there were immaterial instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of the audit report.

## **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 of Readington's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Readington's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 16, 2015

TOWNSHIP OF READINGTON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2014

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	RECEIVED	EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2014
			FROM	TO				
<u>Department of Transportation</u>								
Summer Road/Ordinance 11-09	20.205	078-6320-480-ALL-609163	1/1/2014	12/31/2014	\$ 142,500.00	\$ 142,500.00	\$ 142,500.00	\$ 142,500.00
<u>Department of Homeland Security</u>								
Disaster Assistance (1461)	97.036	PA-02-NJ-4086-PW-01461	10/30/12	4/30/13	2,848,385.29	1,300,801.17		2,848,385.29
Disaster Assistance (1656)	97.036	PA-02-NJ-4086-PW-01656	10/30/12	4/30/13	61,935.18	21,925.79		61,935.18
Disaster Assistance (3612)	97.036	PA-02-NJ-4086-PW-01656	10/30/12	4/30/13	79,101.66			79,101.66
Emergency Management Performance	97.042		1/1/2012	12/31/2012	39,901.50		12,450.00	39,901.50
Emergency Management Performance	97.042		1/1/2014	12/31/2014	10,000.00	10,000.00	10,000.00	10,000.00
						\$ 1,475,226.96	\$ 164,950.00	\$ 3,181,823.63



TOWNSHIP OF READINGTON

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2014

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT AWARD AMOUNT</u>	<u>RECEIVED</u>	<u>EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2014</u>
<u>Department of Law and Public Safety</u>					
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	\$ 8,138.58	\$	\$ 4,548.88	\$ 4,548.88
Alcohol Education Rehabilitation Grant - Prior	9735-760-098-Y900-001	3,852.55		504.44	1,986.05
Alcohol Education Rehabilitation Grant	9735-760-098-Y900-001	4,549.17	4,549.17		
Drive Sober or Get Pulled Over		4,400.00	2,200.00	2,200.00	4,400.00
			<u>\$ 6,749.17</u>	<u>\$ 7,253.32</u>	<u>\$ 10,934.93</u>
<u>Department of Environmental Protection</u>					
Clean Communities Program	765-042-4900-004-VCMC-6020	45,426.58	\$ 45,426.58	\$ 45,426.58	\$ 45,426.58
			<u>\$ 45,426.58</u>	<u>\$ 45,426.58</u>	<u>\$ 45,426.58</u>
<u>Division of Criminal Justice</u>					
Body Armor Replacement Fund - Prior	1020-718-066-100-001	3,125.80	\$	\$ 1,099.51	\$ 3,125.80
Body Armor Replacement Fund	1020-718-066-100-001	2,524.43	2,524.43	2,524.43	2,524.43
			<u>\$ 2,524.43</u>	<u>\$ 3,623.94</u>	<u>\$ 5,650.23</u>
<u>Department of State</u>					
Historical Commission - Museum - Prior		10,841.00	\$	\$	\$ 5,420.50
Historical Commission - Museum		10,841.00	10,710.25	10,841.00	10,841.00
			<u>\$ 10,710.25</u>	<u>\$ 10,841.00</u>	<u>\$ 16,261.50</u>
			<u>\$ 65,410.43</u>	<u>\$ 67,144.84</u>	<u>\$ 78,273.24</u>

TOWNSHIP OF READINGTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2014

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Township of Readington, County of Hunterdon, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial report.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis financial statements. All of these amounts are reported in the Current, Grant, & General Capital Funds in 2014.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 1,322,726.96	\$	\$	\$ 1,322,726.96
Grant Fund	10,000.00	65,410.43		75,410.43
General Capital Fund	<u>142,500.00</u>	<u></u>	<u></u>	<u>142,500.00</u>
	<u>\$ 1,475,226.96</u>	<u>\$ 65,410.43</u>	<u>\$ 0.00</u>	<u>\$ 1,540,637.39</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$	\$	\$	\$ 0.00
Grant Fund	22,450.00	67,144.84	155.49	89,750.33
General Capital Fund	<u>142,500.00</u>	<u></u>	<u></u>	<u>142,500.00</u>
	<u>\$ 164,950.00</u>	<u>\$ 67,144.84</u>	<u>\$ 155.49</u>	<u>\$ 232,250.33</u>

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules.

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PART III

TOWNSHIP OF READINGTON

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND

	YEAR 2014		YEAR 2013	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,340,199.66	1.67%	\$ 685,000.00	0.88%
Miscellaneous - From Other Than Local Property Tax Levies	6,013,679.89	7.51%	4,445,753.09	5.71%
Collection of Delinquent Taxes and Tax Title Liens	890,330.95	1.11%	973,418.49	1.25%
Collections of Current Tax Levy	<u>71,788,250.50</u>	<u>89.71%</u>	<u>71,689,622.66</u>	<u>92.16%</u>
<u>Total Revenue</u>	<u>\$ 80,032,461.00</u>	<u>100.00%</u>	<u>\$ 77,793,794.24</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 19,974,436.14	25.26%	\$ 17,055,272.39	22.26%
County Taxes	11,522,240.54	14.58%	11,530,362.54	15.06%
Local School District Taxes	28,693,682.00	36.32%	28,774,995.00	37.58%
Regional School District Taxes	18,306,232.00	23.16%	18,490,719.00	24.15%
Municipal Open Space Taxes	533,933.36	0.68%	532,550.30	0.70%
Other Expenditures	<u>                                </u>	<u>0.00%</u>	<u>193,789.57</u>	<u>0.25%</u>
<u>Total Expenditures</u>	<u>\$ 79,030,524.04</u>	<u>100.00%</u>	<u>\$ 76,577,688.80</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,001,936.96		\$ 1,216,105.44	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>\$ 395,000.00</u>		<u>\$</u>	
Statutory Excess to Fund Balance	<u>\$ 1,396,936.96</u>		<u>\$ 1,216,105.44</u>	
Fund Balance - January 1	<u>\$ 2,007,178.01</u>		<u>\$ 1,476,072.57</u>	
	\$ 3,404,114.97		\$ 2,692,178.01	
Less: Utilization as Anticipated Revenue	<u>1,340,199.66</u>		<u>685,000.00</u>	
Fund Balance, December 31	<u>\$ 2,063,915.31</u>		<u>\$ 2,007,178.01</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - SEWER UTILITY OPERATING FUND

	<u>YEAR 2014</u>		<u>YEAR 2013</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 48,058.00	2.93%	\$	
Collection of Sewer Use Charges	1,356,580.83	82.71%	1,321,503.46	84.05%
Miscellaneous	<u>235,556.71</u>	<u>14.36%</u>	<u>250,868.24</u>	<u>15.95%</u>
<u>Total Revenue</u>	<u>\$ 1,640,195.54</u>	<u>100.00%</u>	<u>\$ 1,572,371.70</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 1,534,946.00	99.31%	\$ 1,483,275.00	99.57%
Statutory Expenditures	<u>10,612.00</u>	<u>0.69%</u>	<u>6,370.00</u>	<u>0.43%</u>
<u>Total Expenditures</u>	<u>\$ 1,545,558.00</u>	<u>100.00%</u>	<u>\$ 1,489,645.00</u>	<u>100.00%</u>
Excess in Revenue	<u>\$ 94,637.54</u>		<u>\$ 82,726.70</u>	
Fund Balance - January 1	<u>283,132.83</u>		<u>200,406.13</u>	
	\$ 377,770.37		\$ 283,132.83	
Less: Utilization as Anticipated Revenue	<u>48,058.00</u>			
Fund Balance, December 31	<u>\$ 329,712.37</u>		<u>\$ 283,132.83</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$2.721</u>	<u>\$2.729</u>	<u>\$2.668</u>
Appointment of Tax Rate:			
Municipal	\$0.503	\$0.494	\$0.444
Municipal Open Space	0.020	0.020	0.020
County	0.433	0.434	0.422
Local School	1.078	1.085	1.087
Regional School	<u>0.687</u>	<u>0.696</u>	<u>0.695</u>

Assessed Valuation:

Year 2014	\$ <u>2,663,436,084.00</u>		
Year 2013		\$ <u>2,653,075,028.00</u>	
Year 2012			\$ <u>2,680,417,092.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2014	\$72,644,898.79	\$71,788,250.50	98.82%
2013	\$72,657,275.76	\$71,689,622.66	98.67%
2012	\$71,821,194.54	\$70,769,184.42	98.54%



DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2014	\$ 102,539.83	\$ 1,226,268.37	\$ 1,328,808.20	1.83%
2013	98,850.15	1,289,488.03	1,388,338.18	1.91%
2012	95,103.23	1,007,988.55	1,103,091.78	1.50%

COMPARISON OF UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>COLLECTIONS</u>
2014	\$ 1,362,548.05	\$ 1,356,580.83
2013	1,256,640.00	1,153,219.19
2012	1,247,820.00	1,159,566.77

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2014	\$ 2,063,915.31	\$ 1,190,677.53
	2013	2,007,178.01	1,340,199.66
	2012	1,476,072.57	685,000.00
	2011	2,161,430.73	1,359,175.00
	2010	2,234,746.75	1,293,000.00
Sewer Utility Operating Fund	2014	\$ 329,712.37	\$ 121,489.00
	2013	283,132.83	48,058.00
	2012	200,406.13	0.00
	2011	285,406.13	85,000.00
	2010	197,749.97	100,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Betty Ann Fort	Mayor	*
Thomas Auriemma	Deputy Mayor	*
John D. Broten	Councilperson	*
M. Elizabeth Duffy	Councilperson	*
Samuel D. Tropello	Councilperson	*
Vita Mekovetz	Administrator, Clerk, Registrar, Qualified Purchasing Agent	*
Thomas Carro	Chief Financial Officer	*
Michael Balogh	Tax Collector, Tax Search Officer	*
Mary Mastro	Tax Assessor	*
Gerard Shamey	Municipal Court Judge	*
Kimberly Marino	Municipal Court Administrator	*
Sebastian Donaruma	Police Chief	*

\*All officials and employees (except as noted) handling and collecting Township funds are covered under a special multi-peril policy public employees blanket coverage endorsement for \$1,000,000.00.

All of the bonds were examined and were properly executed and were in accordance with the state promulgated schedule.

COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

"Every contract or agreement, for the performance of any work or the 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 the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective January 1, 2011, the bid threshold in accordance with N.J.A.C. 40A:11-3 was increased to \$36,000 with a qualified purchasing agent.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- Improvements to Summer Road – Section 2
- Various Maintenance & Repair Materials
- Emergency Vehicle Re-Chassis

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.

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 "for the performance of any work or the furnishing or hiring of any material, supplies or services, 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."

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

- Municipal Attorney
- Municipal Auditor
- Tax Attorney/Bankruptcy Service
- Special Labor Counsel
- Bond Counsel
- Engineering and Land Surveying Services
- Municipal Prosecutor
- Municipal Public Defender
- Various Other Consulting Services

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The Governing Body, on January 6, 2014, adopted the following resolution pursuant to the provisions of R.S. 54:4-67 fixing the rate of delinquent taxes and assessments and on sanitary sewer service charges at 8% per annum on the first \$1,500.00 and a rate of 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date and if the delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of 6% shall be charged if payment of any installment is made within ten days after the date upon which the same becomes payable.

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 16, 2014 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

The following is a comparison of the number of tax title liens receivable on December 31<sup>st</sup> of the last three years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2014	5
2013	5
2012	5

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of the mailing of verification notices as follows:

<u>TYPE</u>	
Information Tax Positive Confirmation	50
Delinquent Tax Positive Confirmation	25
Information Utility Positive Confirmation	25
Delinquent Utility Positive Confirmation	15

## OTHER COMMENTS

### Interfunds

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year. It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

### Purchasing

During the course of our audit, we noted that the Township maintains an encumbrance accounting system in accordance with state requirements. However, our tests disclosed that there were instances where certain departments circumvented the system by ordering goods or having services rendered prior to the issuance of a purchase order.

### Departments

Our audit of the Animal Control department revealed that monies received per the Muidex reports do not accurately reflect actual turnovers to the Finance department. It should be noted that the Township has used a new program in 2015 which has corrected this problem.

Our audit of the Planning/Board of Adjustment department revealed that escrow receipts are not being recorded in the department office. The receipts records only include application fees.

## RECOMMENDATIONS

\*That every department fully comply with the Township's encumbrance accounting system.

\*That the Animal Control department implement a system of record keeping which accurately reflects actual receipts and turnovers.

That the Planning/Board of Adjustment department record all receipts coming through the office.

\* Prior Year Recommendations





