

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

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

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

CONTENTS

PART I

	<u>Exhibit</u>	<u>Page</u>
<u>Independent Auditor's Report</u>		1
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		5
<u>Financial Statements</u>		
<u>Current Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	A	11
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	A-1	13
Statement of Revenues - Regulatory Basis	A-2	15
Statement of Expenditures - Regulatory Basis	A-3	17
<u>Trust Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	B	25
<u>General Capital Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	C	29
Statement of Fund Balance - Regulatory Basis	C-1	30
<u>Swimming Pool Utility Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	D	33
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1	34
Statement of Revenues - Regulatory Basis	D-2	35
Statement of Appropriations - Regulatory Basis	D-3	36
<u>Sewer Utility Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	E	39
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	E-1	41
Statement of Revenues - Regulatory Basis	E-2	42
Statement of Appropriations - Regulatory Basis	E-3	43
<u>Payroll Fund</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	F	47
<u>General Fixed Assets Account Group</u>		
Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	G	51
<u>Notes to Financial Statements</u>		55

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

CONTENTS

<u>Additional Information</u>	<u>Statement</u>	<u>Page</u>
<u>Current Fund</u>		
Schedule of Cash and Investments - Treasurer	A-4	85
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5	86
Schedule of Tax Title Liens Receivable	A-6	87
Schedule of Property Acquired for Taxes	A-7	88
Schedule of Revenue Accounts Receivable	A-8	89
Schedule of Due From State of New Jersey Senior Citizens' and Veterans' Deductions	A-9	90
Schedule of Interfund Receivable/(Payable)	A-10	91
Schedule of Other Accounts Receivable	A-11	92
Schedule of Deferred Charges	A-12	93
Schedule of 2014 Appropriation Reserves	A-13	94
Schedule of Reserve for Encumbrances	A-14	97
Schedule of Property Tax Overpayments	A-15	98
Schedule of Prepaid Taxes	A-16	99
Schedule of Fire District Taxes Payable	A-17	100
Schedule of County Taxes Payable	A-18	101
Schedule of Local School District Tax Payable/Receivable	A-19	102
Schedule of Accounts Payable	A-20	103
Schedule of Due to State	A-21	104
Schedule of Various Reserves	A-22	105
Schedule of Grants Receivable	A-23	106
Schedule of Reserve for Encumbrances	A-24	107
Schedule of Due to Current Fund	A-25	108
Schedule of Reserve for Grants - Appropriated	A-26	109
Schedule of Reserve for Grants - Unappropriated	A-27	110
<u>Trust Fund</u>		
Schedule of Cash	B-1	113
Schedule of Reserve for Animal Control Fund Expenditures	B-2	114
Schedule of Due From State of New Jersey - Animal Control Trust Fund	B-3	115
Schedule of Due to Current Fund	B-4	116
Schedule of Due From Current Fund - Open Space Trust Fund	B-5	117
Schedule of Reserve for Open Space	B-6	118
Schedule of Due From Current Fund - Trust - Other Fund	B-7	119
Schedule of Reserve for Various Trust Funds	B-8	120
Schedule of Investments - Length of Service Awards Program Fund (LOSAP)	B-9	121
Schedule of Reserve for Funds Held by Trustee - Length of Service Awards Program Fund (LOSAP)	B-10	122

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

CONTENTS

	<u>Statement</u>	<u>Page</u>
<u>General Capital Fund</u>		
Schedule of Cash and Investments - Treasurer	C-2	125
Schedule of Analysis of General Capital Fund Cash	C-3	126
Schedule of Deferred Charges to Future Taxation - Funded	C-4	127
Schedule of Deferred Charges To Future Taxation - Unfunded	C-5	128
Schedule of State, Federal, and Local Grants Receivable	C-6	129
Schedule of Deferred Charges - Deficit in Grant Funding	C-7	130
Schedule of Reserve for Joint Court Improvements	C-8	131
Schedule of Reserve for Debt Service	C-9	132
Schedule of Serial Bonds Payable	C-10	133
Schedule of Green Trust Loan Payable	C-11	134
Schedule of Bond Anticipation Notes	C-12	135
Schedule of Improvement Authorizations	C-13	136
Schedule of Reserve for Encumbrances	C-14	137
Schedule of Capital Improvement Fund	C-15	138
Schedule of Bonds And Notes Authorized But Not Issued	C-16	139
 <u>Swimming Pool Utility Fund</u>		
Schedule of Cash and Investments - Treasurer	D-4	143
Schedule of Accrued Interest on Notes	D-5	144
Schedule of Anaylsis of Swimming Pool Utility Capital Cash	D-6	145
Schedule of Fixed Capital	D-7	146
Schedule of 2014 Appropriations Reserves	D-8	147
Schedule of Fixed Capital Authorized and Uncompleted	D-9	148
Schedule of Reserve for Encumbrances - Swimming Pool Utility Operating Fund	D-10	149
Schedule of Improvement Authorizations	D-11	150
Schedule of Reserve for Encumbrances - Swimming Pool Utility Capital Fund	D-12	151
Schedule of Capital Improvement Fund	D-13	152
Schedule of Reserve for Amortization	D-14	153
Schedule of Deferred Reserve for Amortization	D-15	154
Schedule of Bond Anticipation Notes	D-16	155
 <u>Sewer Utility Fund</u>		
Schedule of Cash and Investments - Treasurer	E-4	159
Schedule of Anaylsis of Sewer Utility Capital Cash	E-5	160
Schedule of Consumer Accounts Receivable	E-6	161
Schedule of Bayshore Sewerage Rent Reserve	E-7	162
Schedule of Sewer Consumer Overpayments	E-8	163
Schedule of 2014 Appropriations Reserves	E-9	164
Schedule of Reserve for Encumbrances - Sewer Utility Operating Fund	E-10	165
Schedule of Debt Service Reserve	E-11	166
Schedule of Accrued Interest on Bonds	E-12	167
Schedule of Fixed Capital	E-13	168
Schedule of Fixed Capital Authorized and Uncompleted	E-14	169
Schedule of Serial Bonds	E-15	170
Schedule of Improvement Authorizations	E-16	171
Schedule of Reserve for Encumbrances - Sewer Utility Capital Fund	E-17	172
Schedule of Reserve for Improvements	E-18	173
Schedule of Reserve for Amortization	E-19	174
Schedule of Deferred Reserve for Amortization	E-20	175
Schedule of Capital Improvement Fund	E-21	176

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

CONTENTS

General Fixed Assets Account Group

Schedule of Changes in General Fixed Assets	G-1	179
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Comments and Recommendations

Scope of the Audit		183
Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)		183
Contracts and Agreements Requiring Solicitation of Quotations		184
Collection of Interest on Delinquent Taxes and Assessments		184
Tax Collector's Annual Report		185
Delinquent Taxes and Tax Title Liens		185
Deductions from Taxes		185
Deposit of Funds Paid to Local Unit		186
Payroll Fund		186
Municipal Court		186
Prior Year Findings		187
Officials		188
Acknowledgment		189

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH**

PART I

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



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Hazlet
County of Monmouth
Hazlet, New Jersey 07730

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 6.53% and 6.72% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2015 and 2014.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Hazlet, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

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

Other Matters

Report on Supplementary Information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Prior Period Financial Statements

The financial statements as of December 31, 2014, were audited by other auditors whose report dated November 30, 2015 expressed a qualified opinion on the regulatory basis of accounting.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2016, on our consideration of the Township of Hazlet's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Hazlet's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey
June 21, 2016



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

Honorable Mayor and Members
of the Township Council
Township of Hazlet
County of Monmouth
Hazlet, New Jersey 07730

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Township of Hazlet (herein referred to as “the Municipality”), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated June 21, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

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

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of

the Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Comments & Recommendations to be material weaknesses as Finding No's. 2015-01, 2015-02, & 2015-03. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Comments & Recommendations we identified certain deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

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

Response to Findings

Township of Hazlet's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. Township of Hazlet's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey
June 21, 2016

BASIC FINANCIAL STATEMENTS

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CURRENT FUND

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

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Current Fund:			
Cash	A-4	\$ 6,292,068.56	\$ 6,589,532.97
Change Fund	A	<u>550.00</u>	<u>650.00</u>
		<u>6,292,618.56</u>	<u>6,590,182.97</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	929,476.54	758,933.44
Tax Title Liens Receivable	A-6	103,073.12	98,797.36
Property Acquired for Taxes	A-7	721,600.00	694,000.00
Revenue Accounts Receivable	A-8	23,128.03	23,091.98
Due From Animal Control Fund	A-10	-	506.20
Other Accounts Receivable	A-11	10,894.23	10,873.35
Local School District Taxes	A-19	<u>-</u>	<u>3.50</u>
		<u>1,788,171.92</u>	<u>1,586,205.83</u>
Deferred Charges:			
Special Emergency Appropriations	A-12	<u>79,600.00</u>	<u>119,400.00</u>
		<u>79,600.00</u>	<u>119,400.00</u>
		<u>8,160,390.48</u>	<u>8,295,788.80</u>
State and Federal Grant Fund:			
Grants Receivable	A-23	61,065.10	55,735.10
Due From Current Fund	A-25	<u>300,860.97</u>	<u>325,486.52</u>
		<u>361,926.07</u>	<u>381,221.62</u>
Total Assets		<u>\$ 8,522,316.55</u>	<u>\$ 8,677,010.42</u>

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

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

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Appropriation Reserves	A-3/A-13	\$ 1,428,405.05	\$ 1,739,003.11
Reserve for Encumbrances	A-14	499,871.55	468,278.75
Due To Grant Fund	A-10	300,860.97	325,486.52
Due To Trust Other	A-10	-	29,093.46
Prepaid Taxes	A-16	430,183.66	490,028.14
Tax Overpayments	A-15	551.08	26,748.53
County Taxes Payable	A-18	4,066.02	2,529.51
Accounts Payable	A-20	-	83,395.15
Due To State of New Jersey:	A-21	5,215.00	4,133.00
Various Reserves	A-22	75,825.88	112,846.43
Due to/from State of New Jersey, Chap. 20 P.L. 1971	A-9	12,142.12	10,767.12
		<u>2,757,121.33</u>	<u>3,292,309.72</u>
Reserve for Receivables	A	1,788,171.92	1,586,205.83
Fund Balance	A-1	3,615,097.23	3,417,273.25
		<u>5,403,269.15</u>	<u>5,003,479.08</u>
		<u>8,160,390.48</u>	<u>8,295,788.80</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-26	278,730.03	210,433.51
Unappropriated Reserves	A-27	76,421.33	73,964.75
Reserve for Encumbrances	A-24	6,774.71	96,823.36
		<u>361,926.07</u>	<u>381,221.62</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,522,316.55</u>	<u>\$ 8,677,010.42</u>

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 2,688,258.48	\$ 2,700,000.00
Miscellaneous Revenues Anticipated	4,316,200.34	4,175,644.39
Receipts From Delinquent Taxes	734,798.20	837,956.13
Receipts From Current Taxes	58,666,204.71	56,841,119.31
Non-Budget Revenue	391,453.39	359,881.79
Other Credit To Income:		
Cancel Outstanding Checks	-	13,038.45
Statutory Animal Control Excess	-	506.20
Prior Year Interfunds Returned	506.20	-
Other Accounts Receivable Liquidatd	17,869.59	16,549.24
Unexpended Balance of Appropriation Reserves	1,545,941.29	1,553,732.87
Cancelled Accounts Payable	81,344.15	-
Cancellation of Tax Overpayments	75,261.73	-
Adjustment to Payroll Reserve	1,289.15	-
Grants Appropriated Reserves Cancelled	-	5,200.00
	<hr/>	<hr/>
Total Revenue	68,519,127.23	66,503,628.38
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	7,235,640.75	7,056,415.81
Other Expenses	7,421,627.00	7,194,303.36
Deferred Charges and Statutory	1,742,832.08	1,791,395.72
Budget Appropriations Excluded from Caps:		
Operations:		
Salaries and Wages	107,926.87	170,141.52
Other Expenses	309,332.72	383,017.55
Capital Improvement Fund	1,261,653.57	1,421,820.48
Municipal Debt Service	1,619,100.51	1,559,589.48
Deferred Charges	219,296.43	181,950.00
Refund of Prior Year Revenue	399.00	17,172.69
Prior Senior Citizen Deduction Disallowed	4,250.00	517.12
Various Trust Fund Reserves	-	29,093.46
Interfunds Advanced	-	506.20
Municipal Open Space Tax Payable	226,801.00	206,153.14
Other Accounts Receivable Advanced	17,890.47	19,149.32
Reserved Receivable Adjustment	20.88	-
Refund Prior Years' Tax Revenue	-	241,572.99
Close Out Recreation Petty Cash	200.00	-
Change Fund Adjustment	100.00	-
Prior Year Balance Adjustments	2,024.99	-
State Tax Appeal Adjustment	84,060.00	-
Special Fire District Taxes	1,759,690.00	1,722,802.00
County Taxes	7,236,410.50	7,072,018.44
Local District School Taxes	36,383,788.00	35,005,556.00
Grants Receivable Canceled	-	5,200.00
	<hr/>	<hr/>
Total Expenditures	65,633,044.77	64,078,375.28

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Excess/(Deficit) in Revenue	<u>2,886,082.46</u>	<u>2,425,253.10</u>
Fund Balance, January 1	<u>3,417,273.25</u>	<u>3,692,020.15</u>
	6,303,355.71	6,117,273.25
Decreased By:		
Utilized as Anticipated Revenue	<u>2,688,258.48</u>	<u>2,700,000.00</u>
Fund Balance, December 31	<u>\$ 3,615,097.23</u>	<u>\$ 3,417,273.25</u>

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

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

	<u>Budget</u>	Special N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 2,688,258.48	\$ -	\$ 2,688,258.48	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	21,000.00	-	22,494.92	1,494.92
Other	57,000.00	-	54,615.00	(2,385.00)
Fees and Permits	139,000.00	-	179,164.45	40,164.45
Fines and Costs:				
Municipal Court	245,000.00	-	323,904.81	78,904.81
Interest and Costs on Taxes	115,000.00	-	180,602.26	65,602.26
Cable T.V. Franchise Fee	282,380.11	-	282,380.11	-
Hotel/Motel Fees	100,000.00	-	133,712.73	33,712.73
Recreation Fees	100,000.00	-	136,508.50	36,508.50
Consolidated Municipal Property Tax Relief Aid	109,820.00	-	109,820.00	-
Energy Receipts Tax (P.L. 1997, Ch 62 & 67)	1,774,519.00	-	1,774,519.00	-
Payments in Lieu of Tax on State Exempt Property (N.J.S.A. 54:4-5.2a et seq.)	247,500.00	-	325,121.35	77,621.35
Uniform construction Code Fees	280,000.00	-	444,269.25	164,269.25
Joint Court - Matawn	160,000.00	-	73,546.21	(86,453.79)
Recycling Tonnage Grant	27,964.75	-	27,964.75	-
Clean Communities Program	-	40,260.27	40,260.27	-
Municipal Alliance on Alcoholism and Drug Abuse	52,520.00	-	52,520.00	-
Green Meadows Farm	46,000.00	-	46,000.00	-
2015 Body Armor Fund	-	3,783.57	3,783.57	-
Click It or Ticket	-	4,000.00	4,000.00	-
2015 Drive Sober Labor Day Crackdown	-	5,000.00	5,000.00	-
2015 Bayshore DWI Saturation Patrol	-	10,000.00	10,000.00	-
Reserve for Recycling	53,850.00	-	53,850.00	-
Capital Surplus	32,163.16	-	32,163.16	-
Total Miscellaneous Revenues	<u>3,843,717.02</u>	<u>63,043.84</u>	<u>4,316,200.34</u>	<u>409,439.48</u>
Receipts From Delinquent Taxes	<u>550,000.00</u>	<u>-</u>	<u>734,798.20</u>	<u>184,798.20</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>13,923,000.00</u>	<u>-</u>	<u>14,209,515.21</u>	<u>286,515.21</u>
Budget Totals	21,004,975.50	63,043.84	21,948,772.23	880,752.89
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>391,453.39</u>	<u>391,453.39</u>
	<u>\$ 21,004,975.50</u>	<u>\$ 63,043.84</u>	<u>\$ 22,340,225.62</u>	<u>\$ 1,272,206.28</u>

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

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

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	\$ 58,666,204.71
Allocated To School and County Taxes	<u>45,606,689.50</u>

Balance for Support of Municipal Budget
Appropriations

13,059,515.21

Add:

Reserve for Uncollected Taxes	<u>1,150,000.00</u>
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Amount for Support of Municipal Budget
Appropriations

\$ 14,209,515.21

Receipts From Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 734,798.20</u>
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Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Administrative Fee Senior Citizens & Vets	\$ 4,125.00
Municipal Clerk	4,819.05
Railroad Daily Parking Fees	21,519.04
Finance Department Receipts	91,289.40
Tax Department Receipts	24,864.66
Police Department Receipts	12,108.86
Police Off Duty Administrative Fees	48,313.60
Interest on Investments	3,002.42
DPW Receipts	20.00
Health Insurance Dividends	98,913.20
Joint Insurance Fund Dividends	<u>82,478.16</u>

\$ 391,453.39

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

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations						
	Original Budget	Chapter 159	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Cancelled
General Appropriations							
Operations - Within "CAPS"							
GENERAL GOVERNMENT							
General Administrative							
Salaries and Wages	\$ 124,480.17	-	\$ 124,480.17	\$ 124,000.29	-	\$ 479.88	-
Other Expenses	173,880.00	-	188,880.00	181,226.04	6,345.99	16,307.97	-
Mayor and Committee							
Salaries and Wages	23,930.20	-	23,930.20	23,535.00	-	395.20	-
Other Expenses	5,500.00	-	5,500.00	1,632.43	678.87	3,188.70	-
Municipal Clerk							
Salaries and Wages	133,092.23	-	123,092.23	109,892.57	-	3,199.66	-
Other Expenses	25,100.00	-	25,100.00	21,417.29	54.00	3,628.71	-
Elections:							
Salaries and Wages	4,000.00	-	4,000.00	1,429.09	-	2,570.91	-
Other Expenses	11,500.00	-	11,500.00	6,035.00	3,200.00	2,265.00	-
Registrar/Vital Statistics							
Other Expenses	1,300.00	-	1,300.00	472.24	-	827.76	-
Financial Administration							
Salaries and Wages	155,195.30	-	155,195.30	155,194.30	-	1.00	-
Other Expenses	22,719.00	-	22,719.00	21,166.99	241.63	1,310.38	-
Audit Services							
Other Expenses	47,500.00	-	47,500.00	-	43,000.00	4,500.00	-
Revenue Administration (Tax Collection)							
Salaries and Wages	61,263.76	-	61,263.76	54,729.76	-	6,534.00	-
Other Expenses	11,362.00	-	11,362.00	10,979.60	-	382.40	-
Tax Assessment Administration							
Salaries and Wages	87,976.59	-	87,976.59	87,794.22	-	182.37	-
Other Expenses	68,125.00	-	68,125.00	63,882.23	200.00	4,042.77	-
Legal Services and Costs							
Other Expenses	191,000.00	-	191,000.00	71,872.79	2,963.50	116,163.71	-
Engineering Services and Costs							
Other Expenses	180,000.00	-	190,000.00	122,071.50	41,910.53	36,017.97	-
Land Use Board							
Salaries and Wages	143,732.04	-	143,732.04	135,132.10	-	8,599.94	-
Other Expenses	41,550.00	-	35,050.00	9,885.50	4,297.00	14,367.50	-
Rent Control							
Other Expenses	1.00	-	1.00	-	-	1.00	-
Insurance							
Property/General/Environmental	256,500.00	-	249,500.00	248,886.56	-	(6,386.56)	-

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

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations					Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications						
Public Officials/Employment Practices/ Other Insurance	52,500.00	-	52,500.00			52,500.00	-	-	-
Workers Compensation	445,000.00	-	442,500.00			433,655.62	-	6,344.38	-
Employee Group Insurance	2,850,000.00	-	2,820,000.00			2,428,175.17	25,878.71	335,946.12	-
Health Benefit Waiver	100,000.00	-	96,000.00			57,063.72	-	34,936.28	-
Disability Insurance	42,500.00	-	42,500.00			24,946.46	-	17,553.54	-
PUBLIC SAFETY									
Police									
Salaries and Wages	4,418,154.63	-	4,418,154.63			4,249,024.36	-	169,130.27	-
Other Expenses	538,175.00	-	538,175.00			328,313.53	175,576.62	34,284.85	-
School Crossing Guards									
Salaries and Wages	104,000.00	-	104,000.00			95,984.00	-	8,016.00	-
Other Expenses	2,000.00	-	2,000.00			1,142.40	458.00	399.60	-
Police Dispatch/911									
Salaries and Wages	241,724.13	-	246,724.13			241,555.80	-	10,168.33	-
Emergency Management									
Other Expenses	32,900.00	-	32,900.00			16,332.67	4,481.66	12,085.67	-
Aid to First Aid Organizations									
Other Expenses	30,800.00	-	30,800.00			30,800.00	-	-	-
Municipal Prosecutor									
Salaries and Wages	24,143.36	-	24,143.36			21,291.83	-	2,851.53	-
Other Expenses	1,200.00	-	1,200.00			-	-	1,200.00	-
PUBLIC WORKS									
Streets and Roads Maintenance									
Salaries and Wages	304,316.97	-	327,316.97			327,071.18	-	23,245.79	-
Other Expenses	336,300.00	-	296,300.00			178,382.14	17,211.31	60,706.55	-
Snow Removal									
Salaries and Wages	60,000.00	-	60,000.00			55,073.28	-	4,926.72	-
Other Expenses	190,000.00	-	190,000.00			136,294.13	158.51	53,547.36	-
Recycling									
Salaries and Wages	639,906.89	-	644,906.89			638,408.22	-	11,498.67	-
Other Expenses	158,600.00	-	178,600.00			84,801.31	87,889.46	25,909.23	-
Buildings and Ground									
Salaries and Wages	193,002.43	-	160,002.43			156,368.08	-	(29,365.65)	-
Other Expenses	155,450.00	-	175,450.00			132,068.62	31,920.86	31,460.52	-
Municipal Parking Facility									
Other Expenses	2,000.00	-	2,000.00			1,377.70	-	622.30	-
Vehicle Maintenance (Including Police Vehicles)									
Other Expenses	600,000.00	-	650,000.00			566,999.90	8,112.06	124,888.04	-
HEALTH AND HUMAN SERVICES FUNCTIONS									

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

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations						
	Original Budget	Chapter 159	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Cancelled
Environmental Health Services							
Salaries and Wages	2,400.00	-	2,400.00	1,200.00	-	1,200.00	-
Other Expenses	2,190.00	-	2,190.00	1,310.22	-	879.78	-
Open Space Commission							
Salaries and Wages	1,200.00	-	1,200.00	1,200.00	-	-	-
Other Expenses	1,900.00	-	1,900.00	845.00	-	1,055.00	-
Animal Control Services							
Other Expenses	50,000.00	-	50,000.00	19,804.42	-	30,195.58	-
PARKS AND RECREATION							
Recreation							
Salaries and Wages	117,000.00	-	112,000.00	107,408.51	-	(408.51)	-
Other Expenses	100,000.00	-	100,000.00	61,879.29	1,583.32	36,537.39	-
Recreation Services and Programs							
Other Expenses	4,000.00	-	4,000.00	4,000.00	-	-	-
EDUCATION							
Township Library							
Other Expenses	10,000.00	-	10,000.00	4,800.71	4,456.97	742.32	-
CELEBRATION OF PUBLIC EVENTS							
Celebration of Public Events							
Other Expenses	10,000.00	-	10,000.00	10,000.00	-	-	-
MUNICIPAL COURT							
Municipal Court							
Salaries and Wages	166,686.12	-	166,686.12	150,108.12	-	16,578.00	-
Other Expenses	25,000.00	-	25,000.00	8,727.85	-	16,272.15	-
Public Defender							
Salaries and Wages	5,000.00	-	5,000.00	-	-	5,000.00	-
Uniform Construction Code Enforcement Functions							
Salaries and Wages	254,434.93	-	254,434.93	241,636.98	-	12,797.95	-
Other Expenses	6,575.00	-	6,575.00	5,644.04	472.85	458.11	-
UTILITY EXPENSES AND BULK PURCHASES							
Electricity	200,000.00	-	195,000.00	176,885.81	7,781.38	5,332.81	-
Street Lighting	200,000.00	-	195,000.00	136,532.04	18,556.42	34,911.54	-
Telephone (excluding equipment acquisition)	50,000.00	-	54,000.00	51,913.31	1,933.41	4,153.28	-
Water and Sewerage	26,000.00	-	32,000.00	24,532.37	4,503.28	8,964.35	-
Gas (Natural or Propane)	80,000.00	-	80,000.00	64,905.39	3,291.84	11,802.77	-
Telecommunications	32,500.00	-	32,500.00	22,437.40	2,713.37	7,349.23	-
Accumulated Leave	1.00	-	1.00	-	-	1.00	-
Total Operations - Within "CAPS"	14,637,267.75	-	14,647,267.75	12,804,637.08	499,871.55	1,352,759.12	-

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations				Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications					
Detail:	7,265,640.75	-	7,250,640.75		6,978,037.69	-	257,603.06	-
Salaries and Wages	7,371,627.00	-	7,396,627.00		5,826,599.39	499,871.55	1,095,156.06	-
Other Expenses								
Statutory Expenditures:								
Contribution To:								
Public Employees' Retirement System	305,005.08	-	305,005.08		298,916.17	-	6,088.91	-
Social Security System (O.A.S.I.)	610,000.00	-	600,000.00		538,349.79	-	51,650.21	-
Police and Firemen's Retirement System of N.J.	819,827.00	-	819,827.00		819,827.00	-	-	-
Unemployment Compensation Insurance	25,000.00	-	25,000.00		17,500.00	-	7,500.00	-
Defined Contribution Retirement Program	3,000.00	-	3,000.00		2,593.19	-	406.81	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,762,832.08	-	1,752,832.08		1,677,186.15	-	65,645.93	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	16,400,099.83	-	16,400,099.83		14,481,823.23	499,871.55	1,418,405.05	-
General Appropriations for Municipal Purposes - Excluded from "CAPS"								
Length of Service Award Program ("LOSAP")	25,000.00	-	25,000.00		15,000.00	-	10,000.00	-
Total Other Operations - Excluded from "CAPS"	25,000.00	-	25,000.00		15,000.00	-	10,000.00	-
SHARED MUNICIPAL SERVICE AGREEMENTS								
Handicapped Persons Recreational Opportunities	21,000.00	-	21,000.00		21,000.00	-	-	-
Other Expenses								
Joint Court - Matawan	107,926.87	-	107,926.87		107,926.87	-	-	-
Salaries and Wages	52,073.13	-	52,073.13		52,073.13	-	-	-
Other Expenses	181,000.00	-	181,000.00		181,000.00	-	-	-
Total Shared Municipal Service Agreements	181,000.00	-	181,000.00		181,000.00	-	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES								
Municipal Alliance Grant	52,520.00	-	52,520.00		52,520.00	-	-	-
County Share	13,130.00	-	13,130.00		13,130.00	-	-	-
Local Share	27,964.75	-	27,964.75		27,964.75	-	-	-
Recycling Tonnage Grant	8,601.00	-	8,601.00		8,601.00	-	-	-
SFSP Fire District Payment								

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

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations						
	Original Budget	Chapter 159	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Cancelled
Clean Communities	-	40,260.27	40,260.27	40,260.27	-	-	-
Click It or Ticket	-	4,000.00	4,000.00	4,000.00	-	-	-
2015 Drive Sober Labor Day Crackdown	-	5,000.00	5,000.00	5,000.00	-	-	-
2015 Bayshore DWI Saturation Patrol	-	10,000.00	10,000.00	10,000.00	-	-	-
2015 body Armor Fund	-	3,783.57	3,783.57	3,783.57	-	-	-
Green Meadows Donation	46,000.00	-	46,000.00	46,000.00	-	-	-
Total Public and Private Programs Offset by Revenues	148,215.75	63,043.84	211,259.59	211,259.59	-	-	-
Total Operations - Excluded from "CAPS"	354,215.75	63,043.84	417,259.59	407,259.59	-	10,000.00	-
Detail:							
Salaries and Wages	107,926.87	-	107,926.87	107,926.87	-	-	-
Other Expenses	246,288.88	63,043.84	309,332.72	299,332.72	-	10,000.00	-
Capital Improvement Fund:							
Capital Improvement Fund:	1,261,653.57	-	1,261,653.57	1,261,653.57	-	-	-
Total Capital Improvement Fund	1,261,653.57	-	1,261,653.57	1,261,653.57	-	-	-
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	390,000.00	-	390,000.00	390,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	762,675.00	-	762,675.00	762,675.00	-	-	-
Interest on Bonds	240,337.50	-	240,337.50	240,337.50	-	-	-
Interest on Notes	48,000.00	-	48,000.00	47,394.48	-	-	605.52
Green Trust Loan Program:							
Loan Repayments for Principal and Interest	14,737.42	-	14,737.42	14,737.42	-	-	-
Capital Lease Obligations Approved Prior to 7/1/2007							
Principal	151,700.00	-	151,700.00	151,700.00	-	-	-
Lease	12,260.00	-	12,260.00	12,256.11	-	-	3.89
Total Municipal Debt Service - Excluded From "CAPS"	1,619,709.92	-	1,619,709.92	1,619,100.51	-	-	609.41
Deferred Charges - Municipal - Excluded From "CAPS"							

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

	Appropriations				Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications					
Deferred Charges:								
Special Emergency Authorizations - 5 Years	39,800.00	-	39,800.00		39,800.00	-	-	-
Deferred Charges to Future Taxation - Ord # 1433-08	37,346.43	-	37,346.43		37,346.43	-	-	-
Deferred Charges to Future Taxation - Ord # 1432-08	45,650.00	-	45,650.00		45,650.00	-	-	-
Deferred Charges to Future Taxation - Ord # 1478-10	21,500.00	-	21,500.00		21,500.00	-	-	-
Deferred Charges to Future Taxation - Ord # 1503-12	22,500.00	-	22,500.00		22,500.00	-	-	-
Deferred Charges to Future Taxation - Ord # 1510-12	18,500.00	-	18,500.00		18,500.00	-	-	-
Deferred Charges to Future Taxation - Ord # 1529-13	34,000.00	-	34,000.00		34,000.00	-	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	219,296.43	-	219,296.43		219,296.43	-	-	-
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	3,454,875.67	63,043.84	3,517,919.51		3,507,310.10	-	10,000.00	609.41
Subtotal General Appropriations	19,854,975.50	63,043.84	19,918,019.34		17,989,133.33	499,871.55	1,428,405.05	609.41
Reserve for Uncollected Taxes	1,150,000.00	-	1,150,000.00		1,150,000.00	-	-	-
Total General Appropriations	\$ 21,004,975.50	\$ 63,043.84	\$ 21,068,019.34		\$ 19,139,133.33	\$ 499,871.55	\$ 1,428,405.05	\$ 609.41
Adopted Budget Chapter 159			\$ 21,004,975.50					
			63,043.84					
			\$ 21,068,019.34					
Reserve for Uncollected Taxes			\$ 1,150,000.00					
Cash Disbursements			17,746,674.74					
Reserve for Grants - Appropriated			202,658.59					
Deferred Charges			39,800.00					
			\$ 19,139,133.33					

TRUST FUND

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

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Animal Control Fund:			
Cash	B-1	\$ 25,120.60	\$ 29,808.00
Change Fund	B	<u>25.00</u>	<u>25.00</u>
		<u>25,145.60</u>	<u>29,833.00</u>
Other Trust Funds:			
Cash	B-1	2,677,202.82	2,687,072.21
Due From Current Fund	B-7	<u>-</u>	<u>29,093.46</u>
		<u>2,677,202.82</u>	<u>2,716,165.67</u>
Open Space Trust Fund:			
Cash	B-1	<u>1,575,041.72</u>	<u>1,374,459.81</u>
		<u>1,575,041.72</u>	<u>1,374,459.81</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Cash and Investments - Trustee	B-9	<u>298,970.77</u>	<u>296,870.69</u>
Total Assets		<u>\$ 4,576,360.91</u>	<u>\$ 4,417,329.17</u>
<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Animal Control Trust Fund:			
Due To:			
State of New Jersey	B-3	\$ 54.20	\$ 55.40
Current Fund	B-4	-	506.20
Reserve for Animal Control Expenditures	B-2	<u>25,091.40</u>	<u>29,271.40</u>
		<u>25,145.60</u>	<u>29,833.00</u>
Other Trust Funds:			
Reserve for Various Trust Activities	B-8	<u>2,677,202.82</u>	<u>2,716,165.67</u>
Open Space Trust Fund:			
Reserve for Open Space	B-6	<u>1,575,041.72</u>	<u>1,374,459.81</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Reserve for Funds Held by Trustee	B-10	<u>298,970.77</u>	<u>296,870.69</u>
Total Liabilities and Reserves		<u>\$ 4,576,360.91</u>	<u>\$ 4,417,329.17</u>

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

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GENERAL CAPITAL FUND

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

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Cash	C-2	\$ 1,717,206.54	\$ 1,154,991.69
Grants Receivable	C-6	656,019.00	727,150.00
Deferred Charges To Future Taxation:			
Funded	C-4	5,183,149.22	5,585,439.00
Unfunded	C-5	10,059,649.56	5,709,258.00
Deferred Charge:			
Ordinance 1433-08 - Deficit in Grant Funding	C-7	<u> -</u>	<u> 37,346.43</u>
Total Assets		<u><u>\$ 17,616,024.32</u></u>	<u><u>\$ 13,214,185.12</u></u>
<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
General Serial Bonds	C-10	\$ 5,070,000.00	\$ 5,460,000.00
Green Trust Loans	C-11	113,149.22	125,439.00
Bond Anticipation Notes	C-12	4,407,633.00	5,170,308.00
Improvement Authorizations:			
Funded	C-13	1,613,469.01	533,561.87
Unfunded	C-13	5,238,098.14	335,350.84
Reserve for Encumbrances	C-14	1,047,446.50	997,790.90
Capital Improvement Fund	C-15	105,724.92	539,571.35
Reserve for:			
Joint Court Improvements	C-8	20,000.00	20,000.00
Debt Service	C-9	503.53	-
Fund Balance	C-1	<u> -</u>	<u> 32,163.16</u>
Total Liabilities and Reserves		<u><u>\$ 17,616,024.32</u></u>	<u><u>\$ 13,214,185.12</u></u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$5,652,016.56 and on December 31, 2014 was \$538,950.00.

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

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

Balance, December 31, 2014	\$	32,163.16
Decreased By:		
Appropriated to 2015 Budget Revenue		32,163.16
Balance, December 31, 2015	\$	-

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

SWIMMING POOL UTILITY FUND

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TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Cash and Investments	D-4	\$ 225,635.72	\$ 257,310.70
		<u>225,635.72</u>	<u>257,310.70</u>
Total Operating Fund		<u>225,635.72</u>	<u>257,310.70</u>
Capital Fund:			
Cash and Investments	D-4	106,459.32	142,638.88
Fixed Capital	D-7	1,428,897.53	1,428,897.53
Fixed Capital Authorized and Uncompleted	D-9	<u>440,000.00</u>	<u>240,000.00</u>
Total Capital Fund		<u>1,975,356.85</u>	<u>1,811,536.41</u>
Total Assets		<u>\$ 2,200,992.57</u>	<u>\$ 2,068,847.11</u>
<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Appropriation Reserves	D-3	\$ 41,002.22	\$ 69,125.92
Accrued Interest on Notes	D-5	263.17	-
Reserve for Encumbrances	D-10	<u>10,609.31</u>	<u>5,432.14</u>
		<u>51,874.70</u>	<u>74,558.06</u>
Fund Balance	D-1	<u>173,761.02</u>	<u>182,752.64</u>
Total Operating Fund		<u>225,635.72</u>	<u>257,310.70</u>
Capital Fund:			
Reserve for Encumbrances	D-12	131.41	94,750.00
Improvement Authorization:			
Funded	D-11	23,727.91	34,788.88
Unfunded	D-11	69,500.00	-
Bond Anticipation Note Payable	D-16	69,500.00	-
Capital Improvement Fund	D-13	13,100.00	13,100.00
Reserve for:			
Amortization	D-14	1,428,897.53	1,428,897.53
Deferred Reserve for Amortization	D-15	<u>370,500.00</u>	<u>240,000.00</u>
Total Capital Fund		<u>1,975,356.85</u>	<u>1,811,536.41</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 2,200,992.57</u>	<u>\$ 2,068,847.11</u>

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 170,000.00	\$ 133,000.00
Membership Fees	317,610.00	327,023.00
Guest Fees	69,594.00	57,918.00
Concessions	2,000.00	2,000.00
Swim Lessons	2,756.00	3,732.00
Swim Team	2,862.00	3,656.00
Use of Pool Facilities	9,450.00	-
Interest	309.46	377.83
Miscellaneous	1,123.00	16,314.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>73,267.09</u>	<u>89,001.34</u>
Total Revenue	<u>648,971.55</u>	<u>633,022.17</u>
Expenditures:		
Operating	344,200.00	316,500.00
Capital Improvements	130,500.00	122,000.00
Debt Service	263.17	-
Deferred Charges and Statutory Expenditures	<u>13,000.00</u>	<u>12,500.00</u>
Total Expenditures	<u>487,963.17</u>	<u>451,000.00</u>
Excess in Revenue	161,008.38	182,022.17
Fund Balance, Beginning	<u>182,752.64</u>	<u>133,730.47</u>
Decreased By:	343,761.02	315,752.64
Utilized as Anticipated Revenue	<u>170,000.00</u>	<u>133,000.00</u>
Fund Balance, December 31	<u><u>\$ 173,761.02</u></u>	<u><u>\$ 182,752.64</u></u>

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

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 170,000.00	\$ 170,000.00	\$ -
Membership Fees	270,000.00	317,610.00	47,610.00
Guest Membership Fees	40,000.00	69,594.00	29,594.00
Concession Revenue	2,000.00	2,000.00	-
Swimming Lessons	3,000.00	2,756.00	(244.00)
Swim Team Revenue	3,000.00	2,862.00	(138.00)
Use of Pool Facilities	-	9,450.00	9,450.00
Interest on Investments	-	309.46	309.46
Miscellaneous Revenue Not Anticipated	-	1,123.00	1,123.00
	<u>\$ 488,000.00</u>	<u>\$ 575,704.46</u>	<u>\$ 87,704.46</u>

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY OPERATING FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:						
Salaries and Wages	\$ 145,000.00	\$ 168,500.00	\$ 168,469.64	\$ -	\$ 30.36	\$ -
Other Expenses	200,000.00	175,700.00	124,223.29	10,609.31	40,867.40	-
Total Operating	<u>345,000.00</u>	<u>344,200.00</u>	<u>292,692.93</u>	<u>10,609.31</u>	<u>40,897.76</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	130,500.00	130,500.00	130,500.00	-	-	-
Total Capital Improvements	<u>130,500.00</u>	<u>130,500.00</u>	<u>130,500.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service:						
Interest on Notes	-	300.00	263.17	-	-	36.83
Total Debt Service	<u>-</u>	<u>300.00</u>	<u>263.17</u>	<u>-</u>	<u>-</u>	<u>36.83</u>
Statutory Expenditures:						
Contributions To:						
Social Security System (O.A.S.I.)	12,500.00	13,000.00	12,895.54	-	104.46	-
Total Statutory Expenditures	<u>12,500.00</u>	<u>13,000.00</u>	<u>12,895.54</u>	<u>-</u>	<u>104.46</u>	<u>-</u>
Total Swimming Pool Utility Appropriations	<u>\$ 488,000.00</u>	<u>\$ 488,000.00</u>	<u>\$ 436,351.64</u>	<u>\$ 10,609.31</u>	<u>\$ 41,002.22</u>	<u>\$ 36.83</u>
Cash Disbursements			\$ 436,088.47			
Accrued Interest on Notes			263.17			
			<u>\$ 436,351.64</u>			

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

SEWER UTILITY FUND

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TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Cash and Investments	E-4	\$ 3,735,631.52	\$ 3,992,924.74
Change Fund	E	<u>100.00</u>	<u>100.00</u>
		<u>3,735,731.52</u>	<u>3,993,024.74</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-6	1,022,532.72	896,036.84
Bayshore Sewerage Rent Reserve	E-7	<u>752,432.45</u>	<u>740,920.90</u>
		<u>1,774,965.17</u>	<u>1,636,957.74</u>
Total Operating Fund		<u>5,510,696.69</u>	<u>5,629,982.48</u>
Capital Fund:			
Cash and Investments	E-4	1,157,463.13	677,081.53
Fixed Capital	E-13	11,477,391.93	11,477,391.93
Fixed Capital Authorized and Uncompleted	E-14	<u>1,150,000.00</u>	<u>1,150,000.00</u>
Total Capital Fund		<u>13,784,855.06</u>	<u>13,304,473.46</u>
Total Assets		<u>\$ 19,295,551.75</u>	<u>\$ 18,934,455.94</u>
<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Appropriation Reserves	E-3	\$ 559,453.82	\$ 407,229.17
Customer Overpayments	E-8	8,707.99	8,573.79
Reserve for Encumbrances	E-10	47,552.15	58,699.64
Debt Service Reserve	E-11	4,900.00	9,400.00
Accrued Interest on Bonds, Notes & Loans	E-12	<u>1,020.83</u>	<u>1,958.47</u>
		<u>621,634.79</u>	<u>485,861.07</u>
Reserve for Receivables and Other Assets	E	1,774,965.17	1,636,957.74
Fund Balance	E-1	<u>3,114,096.73</u>	<u>3,507,163.67</u>
Total Operating Fund		<u>5,510,696.69</u>	<u>5,629,982.48</u>

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

Capital Fund:			
Serial Bonds Payable	E-15	49,000.00	94,000.00
Improvement Authorization:			
Funded	E-16	258,260.26	311,714.94
Reserve for:			
Encumbrances	E-17	33,891.03	54.75
Improvements	E-18	115,311.84	115,311.84
Amortization	E-19	11,428,391.93	11,383,391.93
Deferred Reserve for Amortization	E-20	1,150,000.00	1,150,000.00
Capital Improvement Fund	E-21	<u>750,000.00</u>	<u>250,000.00</u>
Total Capital Fund		<u>13,784,855.06</u>	<u>13,304,473.46</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 19,295,551.75</u>	<u>\$ 18,934,455.94</u>

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

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

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 724,712.65	\$ 612,514.34
Sewer Rents	3,751,927.89	4,021,819.54
Other Credits to Income:		
Non-Budget Revenues	66,235.34	18,674.68
Unexpended Balance of Appropriation Reserves	408,044.69	969,021.61
Debt Service Reserve Canceled	4,500.00	4,100.00
Accrued Interest Cancelled	937.79	-
	<hr/>	<hr/>
Total Revenue	4,956,358.36	5,626,130.17
	<hr/>	<hr/>
Expenditures:		
Operating	4,034,594.73	3,924,346.42
Capital Improvements	500,000.00	500,000.00
Debt Service	49,700.00	46,895.83
Deferred Charges and Statutory Expenditures	40,417.92	40,417.92
	<hr/>	<hr/>
Total Expenditures	4,624,712.65	4,511,660.17
	<hr/>	<hr/>
Excess in Revenue	331,645.71	1,114,470.00
	<hr/>	<hr/>
Fund Balance, January 1	3,507,163.67	3,005,208.01
	<hr/>	<hr/>
	3,838,809.38	4,119,678.01
Decreased By:		
Utilized as Anticipated Revenue	724,712.65	612,514.34
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 3,114,096.73</u>	<u>\$ 3,507,163.67</u>

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

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 724,712.65	\$ 724,712.65	\$ -
Sewer Rents	3,900,000.00	3,751,927.89	(148,072.11)
Non-Budget Revenues	<u>-</u>	<u>66,235.34</u>	<u>66,235.34</u>
	<u>\$ 4,624,712.65</u>	<u>\$ 4,542,875.88</u>	<u>\$ (81,836.77)</u>
 <u>Analysis of Non-Budget Revenue</u>			
Sewer Connection Fees		\$ 23,333.50	
Tax Sale Fees			
Miscellaneous Fees		40,662.81	
Interest on Investments and Deposits		<u>2,239.03</u>	
		<u>\$ 66,235.34</u>	

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

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Original Budget	Budget After Modifications	Paid or Charged	Encumbrances	Reserved
Operating:					
Salaries and Wages	\$ 296,094.73	\$ 296,094.73	\$ 213,991.72	\$ -	\$ 82,103.01
Other Expenses	3,738,500.00	3,738,500.00	3,222,103.51	47,552.15	468,844.34
Total Operating	4,034,594.73	4,034,594.73	3,436,095.23	47,552.15	550,947.35
Capital Improvements:					
Capital Improvement Fund	500,000.00	500,000.00	500,000.00	-	-
Total Capital Improvements	500,000.00	500,000.00	500,000.00	-	-
Debt Service:					
Payment of Bond Principal	45,000.00	45,000.00	45,000.00	-	-
Interest on Bonds	4,700.00	4,700.00	4,700.00	-	-
Total Debt Service	49,700.00	49,700.00	49,700.00	-	-
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	15,417.92	15,417.92	15,417.92	-	-
Social Security System (O.A.S.I.)	25,000.00	25,000.00	16,493.53	-	8,506.47
Total Statutory Expenditures	40,417.92	40,417.92	31,911.45	-	8,506.47
Total Sewer Utility Appropriations	\$ 4,624,712.65	\$ 4,624,712.65	\$ 4,017,706.68	\$ 47,552.15	\$ 559,453.82
Cash Disbursements			\$ 4,013,006.68		
Accrued Interest on Bonds, Notes & Loans			4,700.00		
			\$ 4,017,706.68		

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

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PAYROLL FUND

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**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
PAYROLL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Cash	\$ 68,066.58	\$ 58,741.96
	<u>\$ 68,066.58</u>	<u>\$ 58,741.96</u>
<u>Liabilities, Reserves and Fund Balances</u>	<u>2015</u>	<u>2014</u>
Payroll Liabilities	\$ 68,066.58	\$ 58,741.96
	<u>\$ 68,066.58</u>	<u>\$ 58,741.96</u>

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Land	G-1	\$ 40,891,490.00	\$ 40,891,490.00
Land Improvements	G-1	740,001.00	740,001.00
Buildings & Improvements	G-1	7,080,387.39	7,080,387.39
Machinery and Equipment	G-1	<u>7,860,737.78</u>	<u>7,111,359.61</u>
Total Assets		<u>\$ 56,572,616.17</u>	<u>\$ 55,823,238.00</u>
<u>Liabilities</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Investment in Fixed Assets	G-1	<u>\$ 56,572,616.17</u>	<u>\$ 55,823,238.00</u>
Total Liabilities		<u>\$ 56,572,616.17</u>	<u>\$ 55,823,238.00</u>

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

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

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

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of the Township of Hazlet, County of Monmouth, New Jersey (“the Township”), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by *N.J.S.A.40A:5-5*. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies that are subject to separate audits.

Component Unit – The Township of Hazlet had no component units as defined by Governmental Accounting Board Statement No. 14, as amended by GASB 39 & 61.

B. Descriptions of Funds

The accounting policies of the Township 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, and (the Division”). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds:

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

Animal Control Trust Fund - dog license revenues and expenditures.

Trust Other Funds - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

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

Swimming Pool Utility Operating & Capital Fund - are used to account for swim pool operations that are financed through membership fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the Swimming Pool Utility to the general public be financed through membership fees. Operations related to the acquisition of swimming pool capital facilities are recorded within the Swimming Pool Utility Capital Fund.

Sewer Utility Operating & Capital Fund - account for the operations and acquisition of capital facilities of the municipality-owned sewer utility. Bonds and notes payable of the utility fund is recorded in the Utility Capital Fund.

Payroll Fund - receipts and disbursements to account for the payroll and payroll tax liabilities of the Township. Amounts are received from the Current, Sewer Utility and Swimming Pool Utility Funds.

TOWNSHIP OF HAZLET

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

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

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

C. Basis of Accounting

The accounting policies of the Township 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, and (the Division”). The basis of accounting prescribed is the regulatory, modified accrual basis of accounting.

Revenues – are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the federal government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

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 liability in the financial statements and constitute part of the Township’s statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balance are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled 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.

Foreclosed Property – is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds – receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

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

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

General Fixed Assets - in accordance with the Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, the Township has developed a fixed assets accounting and reporting system. Fixed assets acquired prior to January 1, 1987 are based on an inspection and appraisal prepared by an independent firm. All general fixed assets acquired after January 1, 1987 are recorded at cost. Capital leases are not reported in the General Fixed Assets.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for the financial statements.

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 has not been accounted for separately.

Utility Fixed Assets - accounting for utility fund “fixed capital” remains unchanged under the requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Swimming Pool Utility Fund & Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Swimming Pool Utility Fund & Sewer Utility Fund are not depreciated. Principal payments for Swimming Pool Utility debt & Sewer Utility debt are recorded as expenditures in the Swimming Pool Utility & Sewer Utility Statement of Operations.

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

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

D. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

E. Budgets

The Township is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Prior to February 10th of the budget year the Township introduces a budget, which includes proposed expenditures and financing methods.
2. A public hearing is held 28 days after introduction, after a public hearing the budget may be adopted by the governing body.

Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

F. Subsequent Events

On April 6, 2016, The Township issued \$3,780,000 General Obligation Refunding Bonds, Series 2016, the proceeds of the Bonds were used to currently refund the Township's General Obligation Bonds, Series 2008 maturing on August 1, 2028. The bonds were dated April 15, 2016, with interest rates of 2.000% to 4.000%, maturing in the years 2019 through 2028. Interest on the bonds is payable initially on February 1st and August 1st in each year, commencing August 1st, 2016. The Refunding Bonds maturing prior to August 1, 2016 are not subject to redemption prior to maturity. The Refunding Bonds maturing on or after August 1, 2016 are subject to redemption prior to their stated maturity dates at the option of the Township.

The Township has evaluated subsequent events through June 21, 2016, the date the financial statements were available to be issued.

G. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

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

Note 2. Cash and Cash Equivalents

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

	<u>2015</u>
Deposits:	
Demand Deposits	\$ <u><u>17,579,896.51</u></u>
 Reconciliation of Statements of Assets, Liabilities, Reserves and Fund Balance:	
Current	\$ 6,292,068.56
Animal Control	25,120.60
Other Trust	4,252,244.54
General Capital Fund	1,717,206.54
Sewer Utility Operating Fund	3,735,631.52
Sewer Utility Capital Fund	1,157,463.13
Swimming Pool Utility Operating Fund	225,635.72
Swimming Pool Utility Capital Fund	106,459.32
Payroll Fund	<u>68,066.58</u>
	<u><u>\$ 17,579,896.51</u></u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. The Township's does not have a deposit policy for custodial credit risk. As of December 31, 2015, the Township's bank balance of \$17,631,467.16 was insured and collateralized as follows:

Insured	\$ 1,000,000.00
Uninsured and Uncollateralized	4,628,277.90
Collateralized in the District's Name	
Under GUDPA	<u>12,003,189.26</u>
	<u><u>\$ 17,631,467.16</u></u>

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

Note 3: Interfund Receivables and Payables

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2015:

	Due From	Due To
Current Fund	\$ -	\$ 300,860.97
Grant Fund	300,860.97	-
	\$ 300,860.97	\$ 300,860.97

The purpose of these interfunds is short-term borrowings.

Note 4: Property Taxes

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

Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	<u>\$2.628</u>	<u>\$2.802</u>	<u>\$2.775</u>
Apportionment of Tax Rate:			
Municipal	0.615	0.663	0.666
Municipal Open Space	0.010	0.010	0.010
County	0.319	0.344	0.350
District School	1.606	1.701	1.667
Special District	0.078	0.084	0.082

Net Valuation Taxable:

2015	\$ 2,265,331,104.00
2014	\$ 2,058,020,935.00
2013	\$ 2,051,183,777.00

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

Note 4: Property Taxes (continued)

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$ 59,564,235.15	\$ 58,668,565.99	98.49%
2014	57,695,875.40	56,841,119.31	98.51%
2013	57,100,970.90	56,195,729.20	98.41%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2015	\$ 103,073.12	\$ 929,476.54	\$ 1,032,549.66	1.73%
2014	98,797.36	758,933.44	857,730.80	1.49%
2013	94,412.23	892,655.41	987,067.64	1.56%

Note 5: Property Acquired By Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous two years was as follows:

YEAR	AMOUNT
2015	\$ 721,600.00
2014	694,000.00
2013	694,000.00

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

Note 6: Sewer Utility Service Charges

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

YEAR ENDED DECEMBER 31	BEGINNING RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2015	\$ 896,036.84	\$ 3,897,789.21	\$ 4,793,826.05	\$ 3,743,354.10	78.09%
2014	1,015,618.87	3,902,237.51	4,917,856.38	4,010,275.64	81.55%
2013	968,167.23	4,013,341.21	4,981,508.44	3,945,598.70	79.20%

Note 7. Capital Debt

A Summary of Municipal Debt is as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued</u>			
General	\$ 9,590,782.22	\$ 10,755,747.00	\$ 11,573,844.61
Swimming Pool Utility	69,500.00	-	-
Sewer Utility	49,000.00	94,000.00	135,000.00
Hazlet Board of Fire Commissioners	<u>53,000.00</u>	<u>104,000.00</u>	<u>153,000.00</u>
Net Debt Issued	<u>9,762,282.22</u>	<u>10,953,747.00</u>	<u>11,861,844.61</u>
<u>Authorized But Not Issued</u>			
General	<u>5,652,016.56</u>	<u>538,950.00</u>	<u>681,100.00</u>
Net Authorized But Not Issued	<u>5,652,016.56</u>	<u>538,950.00</u>	<u>681,100.00</u>
Net Debt Issued and Authorized But Not Issued	<u>15,414,298.78</u>	<u>11,492,697.00</u>	<u>12,542,944.61</u>
Less:			
Reserve for Payment of Debt Service	503.53	-	-
Debt Service Reserve	-	9,400.00	13,500.00
Bond Anticipation Notes	4,600,000.00	-	-
Hazlet Board of Fire Commissioners	<u>53,000.00</u>	<u>104,000.00</u>	<u>153,000.00</u>
Net Deductions	<u>4,653,503.53</u>	<u>113,400.00</u>	<u>166,500.00</u>
Net Debt Issued and Authorized But Not Issued	<u>\$ 10,760,795.25</u>	<u>\$ 11,379,297.00</u>	<u>\$ 12,376,444.61</u>

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

Note 7. Capital Debt (continued):

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .463%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 5,780,000	\$ 5,780,000	\$ -
Swimming Pool Utility Debt	69,500	69,500	-
Sewer Utility Debt	49,000	49,000	-
General Debt	15,295,799	4,653,504	10,642,295
Total	\$ 21,194,299	\$ 10,552,004	\$ 10,642,295

Net Debt \$10,642,295.25 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$2,297,533,832.00 = 0.463%

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 80,413,684.12
Net Debt	<u>10,642,295.25</u>
Remaining Borrowing Power	<u><u>\$ 69,771,388.87</u></u>

Calculation of Self-Liquidating Purpose - Swimming Pool Utility per N.J.S.40A:2-45

Cash Receipts From Fees, Rents & Other Charges	\$ <u>575,704.46</u>
Deductions:	
Operating & Maintenance Costs	\$ 316,197.78
Debt Service per Swimming Pool Utility Operating Fund	<u>263.17</u>
	<u>316,460.95</u>
Excess/(Deficit) Revenue - Self Liquidating	<u><u>\$ 259,243.51</u></u>

Calculation of Self-Liquidating Purpose - Sewer Utility per N.J.S.40A:2-45

Cash Receipts From Fees, Rents & Other Charges	\$ <u>4,542,875.88</u>
Deductions:	
Operating & Maintenance Costs	\$ 3,515,558.83
Debt Service per Sewer Utility Operating Fund	<u>49,700.00</u>
	<u>3,565,258.83</u>
Excess/(Deficit) Revenue - Self Liquidating	<u><u>\$ 977,617.05</u></u>

TOWNSHIP OF HAZLET

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

Note 7. Capital Debt (continued)

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

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

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
General Capital Fund:					
General Serial Bonds Payable	\$ 5,460,000.00	\$ -	\$ (390,000.00)	\$ 5,070,000.00	\$ 390,000.00
Green Trust Loans Payable	125,439.00	-	(12,289.78)	113,149.22	12,536.81
Bond Anticipation Notes	5,170,308.00	4,407,633.00	(5,170,308.00)	4,407,633.00	4,407,633.00
Authorized but Not Issued	538,950.00	5,380,000.00	(266,933.44)	5,652,016.56	-
Total General Capital Fund	<u>\$ 11,294,697.00</u>	<u>\$ 9,787,633.00</u>	<u>\$ (5,839,531.22)</u>	<u>\$ 15,242,798.78</u>	<u>\$ 4,810,169.81</u>
Swimming Pool Utility Fund:					
Bond Anticipation Notes	\$ -	\$ 69,500.00	\$ -	\$ 69,500.00	\$ 69,500.00
Total Swimming Pool Utility Fund	<u>\$ -</u>	<u>\$ 69,500.00</u>	<u>\$ -</u>	<u>\$ 69,500.00</u>	<u>\$ 69,500.00</u>
Sewer Utility Fund:					
General Serial Bonds Payable	\$ 94,000.00	\$ -	\$ (45,000.00)	\$ 49,000.00	\$ 49,000.00
Total Sewer Utility Fund	<u>\$ 94,000.00</u>	<u>\$ -</u>	<u>\$ (45,000.00)</u>	<u>\$ 49,000.00</u>	<u>\$ 49,000.00</u>

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

Note 7. Capital Debt (continued)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Five-Year Increments Thereafter for Bonded Debt Issued and Outstanding

		General Capital Fund		
		Principal	Interest	Total
	2016	\$ 390,000.00	\$ 223,275.00	\$ 613,275.00
	2017	390,000.00	206,212.50	596,212.50
	2018	390,000.00	189,150.00	579,150.00
	2019	390,000.00	172,087.50	562,087.50
	2020	390,000.00	155,025.00	545,025.00
	2021-2025	1,950,000.00	539,187.50	2,489,187.50
	2026-2028	1,170,000.00	105,300.00	1,275,300.00
		\$ 5,070,000.00	\$ 1,590,237.50	\$ 6,660,237.50

		Sewer Utility Capital		
		Principal	Interest	Total
	2016	\$ 49,000.00	\$ 2,450.00	\$ 51,450.00
		\$ 49,000.00	\$ 2,450.00	\$ 51,450.00

		Green Trust Loan Payable		
		Principal	Interest	Total
	2016	\$ 12,536.81	\$ 2,200.61	\$ 14,737.42
	2017	12,788.79	1,948.63	14,737.42
	2018	13,045.85	1,691.57	14,737.42
	2019	13,308.07	1,429.35	14,737.42
	2020	13,575.56	1,161.86	14,737.42
	2021-2025	47,894.14	2,101.14	49,995.28
		\$ 113,149.22	\$ 10,533.16	\$ 123,682.38

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

Note 7. Capital Debt (continued)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Five-Year Increments Thereafter for Bonded Debt Issued and Outstanding (continued):

		Capital Lease Program		
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$	45,600.00	\$ 4,675.00	\$ 50,275.00
2017		47,900.00	2,395.00	50,295.00
		\$ 93,500.00	\$ 7,070.00	\$ 100,570.00

Note 8. Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

At December 31, 2015, the Township had the following outstanding bond anticipation notes in the General Capital Fund:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Amount</u>
Road Improvements	7/22/2015	0.710%	\$ 335,000.00
Various Capital Improvements	7/22/2015	0.710%	181,581.00
Various 2007 Road Improvements	7/22/2015	0.710%	564,250.00
Various 2008 Capital Improvements	7/22/2015	0.710%	1,401,182.00
Various 2009 Capital Improvements	7/22/2015	0.710%	818,790.00
Acquisition of Various Capital Equip.	7/22/2015	0.710%	267,875.00
Various Capital Improvements	7/22/2015	0.710%	426,955.00
Various Capital Improvements	7/22/2015	0.710%	204,000.00
Various Capital Improvements	7/22/2015	0.710%	208,000.00
			\$ 4,407,633.00

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

Note 8. Bond Anticipation Notes (continued):

At December 31, 2015, the Township had the following outstanding bond anticipation notes in the Swimming Pool Utility Fund:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Amount</u>
Improvements to the Hazlet Swim & Tennis Club	6/18/2015	0.710%	\$ 69,500.00

Note 9. Accrued Compensated Absences

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2015 the balance of the fund was \$110,001.00. It is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$1,172,207.98.

Note 10. Fund Balances Appropriated

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

Year	Balance December 31,	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
Current Fund			
2015	\$ 3,615,097.23	\$ 2,838,901.87	78.53%
2014	3,417,273.25	2,688,258.48	78.67%
2013	3,692,020.15	2,700,000.00	73.13%
2012	2,721,124.94	1,950,000.00	71.66%
2011	2,728,291.87	1,986,387.19	72.81%
Swimming Pool Utility Fund			
2015	\$ 173,761.02	\$ 142,250.00	81.87%
2014	182,752.64	170,000.00	93.02%
2013	133,730.47	133,000.00	99.45%
2012	151,506.38	150,863.33	99.58%
2011	73,601.91	70,000.00	95.11%
Sewer Utility Fund			
2015	\$ 3,114,096.73	\$ 766,483.98	24.61%
2014	3,507,163.67	724,712.65	20.66%
2013	3,005,208.01	612,514.34	20.38%
2012	2,332,262.61	418,313.53	17.94%
2011	1,437,143.34	685,883.61	47.73%

TOWNSHIP OF HAZLET

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

Note 11. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the balance sheet of the various funds:

	Balance December 31, 2015	2016 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency	\$ 79,600.00	\$ 39,800.00	\$ 39,800.00

Note 12. Joint Insurance Pool

The Township of Hazlet is a member of the Monmouth County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation & Employer's Liability
- General & Automobile Liability
- Public Officials & Law Enforcement Liability
- Casualty & Crime Coverage
- Property – Blanket Building & Contents
- Boiler & Machinery
- Equipment Floater
- Blanket Bond for Treasurer & Tax Collector/CFO

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the fund's actuary. The commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of \$500,000 for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

Monmouth County Municipal Joint Insurance Fund
1 Jocama Blvd., Suite 2b
Old Bridge, New Jersey 08857

TOWNSHIP OF HAZLET

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

Note 13. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. All funds collected from employees are transmitted to the state for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2015 and 2014 totaled \$65,551.17 and \$57,763.36, respectively.

Note 14. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

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

Note 14. Pension Obligations (continued):

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

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$333,923.00 for 2015.

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$8,718,884.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .03884%, which was an increase of .00014% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 & December 31, 2014		
	12/31/2015	12/31/2014
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	8,718,884.00	7,245,807.00
Township's Portion of the Plan's Total		
Net Pension Liability	0.03884%	0.03870%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$652,595.00.

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

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

Note 14. Pension Obligations (continued):

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

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

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

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

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

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

Note 14. Pension Obligations (continued):

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

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

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

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

TOWNSHIP OF HAZLET

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

Note 14. Pension Obligations (continued):

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

of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	<u>(3.90%)</u>	<u>(4.90%)</u>	<u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 10,836,506.01	\$ 8,718,884.00	\$ 6,943,485.01

Pension Plan Fiduciary Net Position

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

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

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

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

The following represents the membership tiers for PFRS:

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed

TOWNSHIP OF HAZLET

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

Note 14. Pension Obligations (continued):

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

an amount less than the actuarially determined amount. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$772,687.00 for 2015.

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

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Township’s proportionate share of the PFRS net pension liability is valued to be \$15,833,498.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township’s proportion of the net pension liability was based on the Township’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2015. The Township’s proportion measured as of June 30, 2015, was .09506%, which was a decrease of .01168% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 & December 31, 2014		
	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	15,833,498.00	13,426,739.00
District's Portion of the Plan's Total		
Net Pension Liability	0.09506%	0.10674%

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

Note 14. Pension Obligations (continued):

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

For the year ended December 31, 2015, the Township had an allocated pension expense of \$790,827.00.

Additionally, the State’s proportionate share of the net pension liability attributable to the Township is \$1,388,545.00 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2015 was .09506%, which was an increase of .01168% from its proportion measured as of June 30, 2014, which is the same proportion as the Township’s.

Township's Proportionate Share of the Net Pension Liability	\$ 15,833,498.00
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>1,388,545.00</u>
Total Net Pension Liability	<u><u>\$ 17,222,043.00</u></u>

For the year ended December 31, 2015, the Township’s total allocated pension expense was \$964,028.00.

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

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

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

TOWNSHIP OF HAZLET

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

Note 14. Pension Obligations (continued):

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

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

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

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

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

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

Note 14. Pension Obligations (continued):

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

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

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 22,704,120.24	\$ 17,222,043.00	\$ 12,751,898.82

Pension Plan Fiduciary Net Position

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

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

Note 15: Length of Service Awards Program

The Township's Length of Service Awards Program (LOSAP) was created by a Township Ordinance pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Hazlet approved the adoption of the LOSAP at the general election, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2004. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency squad members.

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

As required by *N.J.A.C.5:30-14.49*, the Township must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

TOWNSHIP OF HAZLET

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

Note 16. Deferred Compensation

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

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

Note 17. Contingent Liabilities

State and Federal Financial Assistance

The Township receives financial assistance from the State of New Jersey and the U. S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors.

As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2015, the Township estimates that no material liabilities will result from such audits.

Litigation

The Township is involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Township Officials, based upon the opinion of the Township's Counsel, presently believe that the outcome of each such proceeding or claim which is pending or know to be threatened, or all of them combined, will not have a material adverse effect on the Township's financial position or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

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

Note 18. Post-Retirement Health Benefits

In addition to the pension benefits described in Note 14, the Township provides postemployment health care benefits for employees who meet certain age and service requirements. Benefits consist of full medical coverage and expenditures are recognized as claims are reported. As of the date of this report, the Township has 53 former employees eligible for and participating in the Post-Employment Health Care Benefits Program. The Township’s approximate cost in providing post-employment health benefits was \$841,000.

Accounting Policy

As described in Note 2, the accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). New Jersey laws currently do not provide for the accrual of reserves, the establishment of irrevocable trusts, or standards regarding the issuance of debt to fund the OPEB liability. Accordingly, costs are recognized when paid.

Funding Status and Funding Progress

The Township has not had an actuarial valuation of the accrued liability for postemployment benefits as of December 31, 2015.

Note 19. Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2015:

	Balance December 31, <u>2014</u>	<u>Additions</u>	Balance December 31, <u>2015</u>
Land	\$ 40,891,490.00	\$ -	\$ 40,891,490.00
Land Improvements	740,001.00	-	740,001.00
Buildings and Improvements	7,080,387.39	-	7,080,387.39
Machinery & Equipment	7,111,359.61	749,378.17	7,860,737.78
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 55,823,238.00</u>	<u>\$ 749,378.17</u>	<u>\$ 56,572,616.17</u>

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SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 6,589,532.97
Increased By Receipts:		
Non-Budget Revenues	\$ 391,453.39	
Taxes Receivable	58,759,101.98	
Revenue Accounts Receivable	4,072,785.70	
State of New Jersey (Ch. 20, P.L. 1971)	210,375.00	
Interfunds	1,224,059.90	
Other Accounts Receivable	17,869.59	
Prepaid Taxes	377,930.60	
Due to State of New Jersey - Various	30,346.00	
Various Reserves	16,829.45	
	65,100,751.61	65,100,751.61
		71,690,284.58
Decreased By Disbursements:		
2015 Budget Appropriations	17,746,674.74	
2014 Apporpriation Reserves	661,340.57	
Interfunds	1,518,345.71	
Other Accounts Receivable	17,890.47	
Change Fund	200.00	
Tax Overpayments	44,097.54	
Fire District Taxes	1,759,690.00	
County Taxes Payable	7,234,873.99	
Local District School Tax	36,383,788.00	
Accounts Payable	2,051.00	
Due to State of New Jersey - Various	29,264.00	
	65,398,216.02	65,398,216.02
Balance, December 31, 2015		\$ 6,292,068.56

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

Year	Balance December 31, 2014	2015 Levy	Added	Collections		Transferred from Overpayments	Transferred to Title Liens	Transferred to Arrears	Chapter 20, P.L. 1971 Senior Citizens and Veterans	Remitted Abated Cancelled	Balance December 31, 2015
				2014	2015						
Arrears 2010	\$ -	\$ -	\$ -	-	\$ -	\$ -	-	\$ (25,925.16)	\$ -	\$ -	25,925.16
2011	10,983.67	-	-	-	-	-	-	10,983.67	-	-	-
2013	14,941.49	-	-	-	-	-	-	14,941.49	-	-	-
2014	6.79	-	-	-	6.79	-	-	-	-	-	-
2015	733,001.49	-	-	-	734,791.41	-	-	-	(4,250.00)	-	2,460.08
	-	59,531,769.62	32,465.53	170,942.50	58,001,138.52	280,873.69	4,275.76	-	213,250.00	(7,336.62)	901,091.30
	<u>\$ 758,933.44</u>	<u>\$ 59,531,769.62</u>	<u>\$ 32,465.53</u>	<u>\$ 170,942.50</u>	<u>\$ 58,735,936.72</u>	<u>\$ 280,873.69</u>	<u>\$ 4,275.76</u>	<u>\$ -</u>	<u>\$ 209,000.00</u>	<u>\$ (7,336.62)</u>	<u>\$ 929,476.54</u>

Analysis of 2015 Property Tax Levy

Tax Yield

General Purpose Tax	57,772,079.62
Special District Taxes	1,759,690.00
Added & Omitted Tax	<u>32,465.53</u>
	<u>\$ 59,564,235.15</u>

Tax Levy

Local District School Tax	\$ 36,383,788.00
County Taxes:	
County Tax	\$ 6,339,562.19
County Library Tax	417,921.49
County Health Tax	349,367.18
County Open Space Tax	125,493.62
Due County for Added and Omitted Taxes	<u>4,066.02</u>
Total County Taxes	7,236,410.50

Fire District Tax	
Local Municipal Open Space Tax	1,759,690.00
Due Municipal Open Space Tax for Added and Omitted Taxes	<u>226,801.00</u>

Local Tax for Municipal Purposes	13,923,000.00
Add: Additional Tax Levied	<u>34,545.65</u>
	<u>\$ 13,957,545.65</u>

\$ 59,564,235.15

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

Balance, December 31, 2014	\$ 98,797.36
Increased By:	
Transfers From Taxes Receivable	<u>4,275.76</u>
Balance, December 31, 2015	<u><u>\$ 103,073.12</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 694,000.00
Increased By:	
Adjustment for Assessed Valuations	<u>27,600.00</u>
Balance, December 31, 2015	<u>\$ 721,600.00</u>

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

	Balance December 31, <u>2014</u>	Accrued in <u>2015</u>	<u>Collections</u>	Balance December 31, <u>2015</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 22,494.92	\$ 22,494.92	\$ -
Other	-	54,615.00	54,615.00	-
Fees and Permits	-	179,164.45	179,164.45	-
Fines and Costs:				
Municipal Court	23,091.98	323,904.81	323,868.76	23,128.03
Other Revenue:				
Interest and Costs on Taxes	-	180,602.26	180,602.26	-
Cable T.V. Franchise Fee	-	282,380.11	282,380.11	-
Hotel/Motel Fees	-	133,712.73	133,712.73	-
Recreation Fees	-	136,508.50	136,508.50	-
Consolidated Municipal Property Tax Relief	-	109,820.00	109,820.00	-
Energy Receipts Tax	-	1,774,519.00	1,774,519.00	-
Payments in Lie of Taxes on State Exempt Property (N.J.S.A. 54:4-2.2a et seq)	-	325,121.35	325,121.35	-
Uniform Construction Code Fees	-	444,269.25	444,269.25	-
Joint Court - Matawan	-	73,546.21	73,546.21	-
General Capital Fund Balance	-	32,163.16	32,163.16	-
Reserve for Recycling	-	53,850.00	53,850.00	-
	<u>\$ 23,091.98</u>	<u>\$ 4,126,671.75</u>	<u>\$ 4,126,635.70</u>	<u>\$ 23,128.03</u>
Cash Receipts			\$ 4,072,785.70	
Various Reserves			<u>53,850.00</u>	
			<u>\$ 4,126,635.70</u>	

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

Balance, December 31, 2014		\$ (10,767.12)
Increased By:		
Senior Citizens' Deductions per Tax Billings	\$ 39,750.00	
Veterans' Deductions per Tax Billings	171,250.00	
Senior Citizens' and Veterans' Deductions Allowed By Tax Collector	<u>2,500.00</u>	
		<u>213,500.00</u>
Decreased By:		
Cash Received From State of New Jersey Senior Citizens' and Veterans' Deductions	210,375.00	202,732.88
Disallowed By Tax Collector	250.00	
Senior Citizens' Disallowed - 2014	<u>4,250.00</u>	
		<u>214,875.00</u>
Balance, December 31, 2015		<u><u>\$ (12,142.12)</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF INTERFUND RECEIVABLE/(PAYABLE)
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Trust Other</u>	<u>Federal & State Grant Fund</u>	<u>Animal Control Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2014				
Receivable	\$ -	\$ -	\$ 506.20	\$ -
Payable	(29,093.46)	(325,486.52)	-	-
Increased By:				
2015 Anticipated Revenue	-	189,528.59	-	-
Disbursements	1,029,680.57	224,410.72	37,453.42	226,801.00
	1,029,680.57	413,939.31	37,453.42	226,801.00
Decreased By:				
Receipts	999,445.11	186,655.17	37,959.62	-
Tax Levy	-	-	-	226,801.00
Budget Appropriations	1,142.00	202,658.59	-	-
	1,000,587.11	88,452.79	37,959.62	226,801.00
Balance, December 31, 2015				
Receivable	\$ -	\$ -	\$ -	\$ -
Payable	\$ -	\$ (300,860.97)	\$ -	\$ -

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF OTHER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 10,873.35
Increased By:	
Cash Dibsbursement	17,890.47
	28,763.82
Decreased By:	
Cash Receipts	17,869.59
Balance, December 31, 2015	\$ 10,894.23
<u>Analysis of Balance</u>	
Due From Monmouth County SCART	\$ 7,722.50
Due From High School	3,171.73
	\$ 10,894.23

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

<u>Description</u>	Balance December 31, <u>2014</u>	Decreased <u>By</u>	Balance December 31, <u>2015</u>
Reassessment of Real Property 7/2/2012	\$ 119,400.00	\$ 39,800.00	\$ 79,600.00
	<u>\$ 119,400.00</u>	<u>\$ 39,800.00</u>	<u>\$ 79,600.00</u>

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

	Balance, December 31, <u>2014</u>	<u>Encumbrances</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages	\$ 36,441.87	\$ -	\$ 36,441.87	\$ -	\$ 36,441.87
Other Expenses	50,230.44	18,796.17	69,026.61	11,668.39	57,358.22
Mayor and Committee					
Salaries and Wages	470.20	-	470.20	-	470.20
Other Expenses	2,786.83	500.00	3,286.83	2,231.78	1,055.05
Municipal Clerk					
Salaries and Wages	151.44	-	151.44	-	151.44
Other Expenses	1,739.82	127.50	1,867.32	782.01	1,085.31
Elections:					
Salaries and Wages	660.19	-	660.19	-	660.19
Other Expenses	373.80	-	373.80	(400.00)	773.80
Registrar/Vital Statistics					
Other Expenses	549.78	-	549.78	-	549.78
DEPARTMENT OF FINANCE					
Financial Administration					
Salaries and Wages	1.09	-	1.09	-	1.09
Other Expenses	500.03	865.79	1,365.82	854.29	511.53
Annual Audit	4,000.00	43,500.00	47,500.00	43,000.00	4,500.00
Revenue Administration (Tax Collection)					
Salaries and Wages	7,770.92	-	7,770.92	-	7,770.92
Other Expenses	186.45	-	186.45	-	186.45
Tax Assessment Administration					
Salaries and Wages	148.50	-	148.50	-	148.50
Other Expenses	51,627.86	105.29	51,733.15	105.29	51,627.86
Legal Services					
Other Expenses	45,977.59	10,225.30	56,202.89	32,657.37	23,545.52
Engineering Services					
Other Expenses	47,796.90	3,441.85	51,238.75	21,041.75	30,197.00
Land Use Board					
Salaries and Wages	2,230.62	-	2,230.62	-	2,230.62
Other Expenses	16,867.18	-	16,867.18	200.00	16,667.18
Rent Control					
Other Expenses	1.00	-	1.00	-	1.00
Insurance					
Property/General/Environmental	1,474.17	-	1,474.17	-	1,474.17
Public Officials/Employment Practices/ Other Insurance	11,530.61	-	11,530.61	-	11,530.61
Workers Compensation Insurance	928.81	-	928.81	-	928.81
Employee Group Insurance	567,055.91	932.76	567,988.67	1,073.16	566,915.51
Health Benefits Waiver	43,450.16	-	43,450.16	-	43,450.16
Disability Insurance	11,218.51	-	11,218.51	-	11,218.51
DEPARTMENT OF PUBLIC SAFETY					
Police:					
Salaries and Wages	195,889.69	-	185,889.69	104,093.33	81,796.36
Other Expenses	7,620.63	224,152.27	231,772.90	214,236.07	17,536.83
School Crossing Guards					
Salaries and Wages	3,159.75	-	3,159.75	-	3,159.75
Other Expenses	851.66	1,148.34	2,000.00	1,148.34	851.66
Dispatchers					
Salaries and Wages	7,847.02	-	7,847.02	-	7,847.02
Office of Emergency Management					
Other Expenses	5,008.04	7,889.73	12,897.77	7,889.73	5,008.04
Municipal Prosecutor					
Salaries and Wages	3.36	-	3.36	-	3.36
Other Expenses	1,200.00	-	1,200.00	-	1,200.00

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

	Balance, December 31, <u>2014</u>	<u>Encumbrances</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
PUBLIC WORKS					
Streets and Road Maintenance					
Salaries and Wages	20,010.66	-	20,010.66	-	20,010.66
Other Expenses	26,243.68	39,624.90	65,868.58	46,366.40	19,502.18
Snow Removal					
Salaries and Wages	20,741.71	-	20,741.71	-	20,741.71
Other Expenses	77,627.58	7,074.88	84,702.46	11,618.93	73,083.53
Recycling					
Salaries and Wages	11,140.68	-	1,140.68	-	1,140.68
Other Expenses	3,104.36	44,103.36	57,207.72	46,075.68	11,132.04
Buildings and Grounds					
Salaries and Wages	1.00	-	1.00	-	1.00
Other Expenses	23,393.73	23,402.78	46,796.51	22,698.73	24,097.78
Municipal Parking Facility					
Other Expenses	1,611.15	-	1,611.15	-	1,611.15
Vehicle Maintenance (Including Police Vehicles)					
Other Expenses	6,332.99	8,315.96	14,648.95	12,217.39	2,431.56
HEALTH AND HUMAN SERVICES					
Environmental Health Services					
Salaries and Wages	200.00	-	200.00	-	200.00
Other Expenses	392.35	222.84	615.19	222.84	392.35
Open Space Commission					
Salaries and Wages	100.00	-	100.00	-	100.00
Other Expenses	1,038.58	-	1,038.58	-	1,038.58
Animal Control Services					
Other Expenses	13,974.19	-	13,974.19	-	13,974.19
PARKS AND RECREATION					
Recreation					
Other Expenses	6,000.00	-	6,000.00	-	6,000.00
EDUCATION					
Township Library					
Other Expenses	2,629.56	5,674.28	8,303.84	5,956.70	2,347.14
Celebration of Public Events					
Other Expenses	718.00	-	718.00	-	718.00
Municipal Court					
Salaries and Wages	16,303.94	-	16,303.94	-	16,303.94
Other Expenses	19,034.48	-	19,034.48	971.19	18,063.29
Uniform Construction Code Enforcement Functions					
Salaries and Wages	11,403.99	-	11,403.99	-	11,403.99
Other Expenses	4,276.95	-	4,276.95	-	4,276.95
Utility Expenses and Bulk Purchases					
Electricity	80,003.08	6,406.79	86,409.87	11,903.40	74,506.47
Street Lighting	69,035.38	13,430.88	81,966.26	13,430.88	68,535.38
Telephone (excluding equipment acquisition)	2,561.01	1,106.83	3,667.84	1,502.16	2,165.68
Water and Sewerage	1,838.67	1,551.81	3,390.48	2,437.55	952.93
Gas (Natural & Propane)	10,547.66	5,415.87	15,963.53	12,579.99	3,383.54
Telecommunications Costs	1,448.33	262.57	2,210.90	1,777.22	433.68
Accumulated Leave	1.00	-	10,001.00	10,000.00	1.00

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

	Balance, December 31, <u>2014</u>	<u>Encumbrances</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
STATUTORY EXPENDITURES					
Social Security System (O.A.S.I.)	110,124.34	-	110,124.34	-	110,124.34
Defined Contribution Retirement Program	1,815.28	-	1,815.28	-	1,815.28
APPROPRIATIONS EXCLUDED FROM CAPS					
Length of Service Award Program ("LOSAP")	9,150.00	-	9,150.00	-	9,150.00
Joint Court - Keyport					
Salaries and Wages	1,716.39	-	1,716.39	-	1,716.39
Other Expenses	17,228.15	-	17,228.15	-	17,228.15
Joint Court - Matawan					
Other Expenses	18,503.41	-	18,503.41	-	18,503.41
Handicapped Persons Recreational Opportunities					
Other Expenses	<u>21,000.00</u>	<u>-</u>	<u>21,000.00</u>	<u>21,000.00</u>	<u>-</u>
Total General Appropriations	<u>\$ 1,739,003.11</u>	<u>\$ 468,278.75</u>	<u>\$ 2,207,281.86</u>	<u>\$ 661,340.57</u>	<u>\$ 1,545,941.29</u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 468,278.75
Increased By:	
Current Appropriations Charged	<u>499,871.55</u>
	968,150.30
Decreased By:	
Transferred To Appropriation Reserves	<u>468,278.75</u>
Balance, December 31, 2015	<u><u>\$ 499,871.55</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PROPERTY TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 26,748.53
Increased By:		
Applied From Prepaid Taxes	\$ 266,832.58	
Prior Year Refunds	<u>107,202.93</u>	
		<u>374,035.51</u>
		400,784.04
Decreased By:		
Applied to Taxes Receivable	280,873.69	
Cancellation of Overpayments	75,261.73	
Cash Disbursements	<u>44,097.54</u>	
		<u>400,232.96</u>
Balance, December 31, 2015		<u><u>\$ 551.08</u></u>

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

Balance, December 31, 2014		\$ 490,028.14
Increased By:		
Collection of 2016 Taxes	<u>\$ 377,930.60</u>	<u>377,930.60</u>
		867,958.74
Decreased By:		
Applied To Tax Overpayments	266,832.58	
Applied To 2015 Taxes	<u>170,942.50</u>	<u>437,775.08</u>
Balance, December 31, 2015		<u><u>\$ 430,183.66</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Fire District Levy	<u>1,759,690.00</u>
	1,759,690.00
Decreased By:	
Cash Disbursement	<u>1,759,690.00</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

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

Balance, December 31, 2014		\$ 2,529.51
Increased By:		
2015 Tax Levy:		
County Tax	\$ 6,339,562.19	
County Library Tax	417,921.49	
County Open Space Fund Tax	349,367.18	
County Health Tax	125,493.62	
Due County for Added and Omitted Taxes	<u>4,066.02</u>	
		<u>7,236,410.50</u>
		7,238,940.01
Decreased By:		
Cash Disbursements		<u>7,234,873.99</u>
Balance, December 31, 2015		<u><u>\$ 4,066.02</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE/RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 3.50
Increased By:		
Levy Calendar Year 2015		<u>36,383,788.00</u>
		36,383,791.50
Decreased By:		
Cash Disbursed	\$ 36,383,788.00	
Cancellation	<u>3.50</u>	
		<u>36,383,791.50</u>
Balance, December 31, 2015		<u><u>\$ -</u></u>

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

Balance, December 31, 2014		\$ 83,395.15
Decreased By:		
Cash Disbursements	\$ 2,051.00	
Cancellations	<u>81,344.15</u>	
		<u>83,395.15</u>
Balance, December 31, 2015		<u><u>\$ -</u></u>

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

	Balance December 31, <u>2014</u>	Cash <u>Receipts</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
<u>Division of Youth and Family Services</u>				
Marriage Licenses	\$ 450.00	\$ 2,400.00	\$ 2,400.00	\$ 450.00
 <u>Department of Community Affairs</u>				
Training Fees	<u>3,683.00</u>	<u>27,946.00</u>	<u>26,864.00</u>	<u>4,765.00</u>
	<u>\$ 4,133.00</u>	<u>\$ 30,346.00</u>	<u>\$ 29,264.00</u>	<u>\$ 5,215.00</u>

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

	Balance December 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
Recycling	\$ 107,718.06	\$ 16,829.45	\$ 53,850.00	\$ 70,697.51
State Library Aid	<u>5,128.37</u>	<u>-</u>	<u>-</u>	<u>5,128.37</u>
	<u>\$ 112,846.43</u>	<u>\$ 16,829.45</u>	<u>\$ 53,850.00</u>	<u>\$ 75,825.88</u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Budget Revenue <u>Realized</u>	Cash <u>Received</u>	Transferred From <u>Unappropriated</u>	Balance December 31, <u>2015</u>
Clean Communities	\$ -	\$ 40,260.27	40,260.27	-	-
Drive Sober or Get Pulled Over Year End Holiday Crackdown	-	-	-	-	-
Green Meadows Farm	-	46,000.00	-	46,000.00	-
Municipal Alliance	49,160.10	52,520.00	50,840.00	-	50,840.10
Recycling Tonnage Grant	-	27,964.75	-	27,964.75	-
State Body Armor Replacement Program	-	3,783.57	3,783.57	-	-
Bayshore D.W.I. Saturation Patrol	6,400.00	10,000.00	6,375.00	-	10,025.00
Drive Sober or Get Pulled Over	-	5,000.00	4,975.00	-	25.00
Click It or Ticket	175.00	4,000.00	4,000.00	-	175.00
Matawan Alcohol Ed. Rehab. Fund	-	-	-	-	-
	<u>\$ 55,735.10</u>	<u>\$ 189,528.59</u>	<u>\$ 110,233.84</u>	<u>\$ 73,964.75</u>	<u>\$ 61,065.10</u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 96,823.36
Increased By:	
Charged to Appropriated Reserves	<u>6,774.71</u>
	103,598.07
Decreased By:	
Transferred to Appropriated Reserves	<u>96,823.36</u>
Balance, December 31, 2015	<u><u>\$ 6,774.71</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 325,486.52
Increased By:		
Deposited in Current Fund:		
Grants Receivable	\$ 110,233.84	
Grants Unappropriated	76,421.33	
2015 Budget Appropriations:		
Grants Appropriated	<u>202,658.59</u>	
		<u>389,313.76</u>
		714,800.28
Decreased By:		
Disbursed by Current Fund:		
Appropriated Reserves	224,410.72	
2015 Anticipated Revenue	<u>189,528.59</u>	
		<u>413,939.31</u>
Balance, December 31, 2015		<u><u>\$ 300,860.97</u></u>

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

	Balance December 31, <u>2014</u>	Transferred From 2015 <u>Budgets</u>	Transferred From <u>Payable</u> Encumbrances	<u>Expended</u>	Transferred To <u>Payable</u> Encumbrances	Balance December 31, <u>2015</u>
Alcohol Enforcement	\$ 2,267.75	\$ -	\$ -	\$ -	\$ -	\$ 2,267.75
Body Armor Replacement Grant	3,621.00	3,783.57	-	3,593.70	3,770.10	40.77
Clean Communities Program	5,502.29	40,260.27	4,675.00	25,122.08	780.00	24,535.48
Drunk Driving Enforcement Fund	15,694.99	-	-	3,428.57	-	12,266.42
Enhanced 911 Grant	2,826.52	-	-	-	-	2,826.52
Green Meadows Farm	33,147.76	46,000.00	87,212.00	108,637.40	-	57,722.36
Municipal Alliance Grant	46,481.46	65,650.00	706.36	61,886.71	2,224.61	48,726.50
Recycling Tonnage Grant	91,705.29	27,964.75	3,875.00	6,150.00	-	117,395.04
Tobacco - Age of Sale Enforcement Program	1,058.48	-	-	-	-	1,058.48
Comcast Technology Grant	242.26	-	355.00	242.26	-	355.00
Drive Sober or Get Pulled Over	-	5,000.00	-	4,975.00	-	25.00
Bayshore D.W.I. Saturation Patrol	6,400.00	10,000.00	-	6,375.00	-	10,025.00
Drive Sober or Get Pulled Over Year End Holiday Crackdown	-	-	-	-	-	-
Click It or Ticket	175.00	4,000.00	-	4,000.00	-	175.00
Matawan Alcohol Education Rehab	1,310.71	-	-	-	-	1,310.71
	<u>\$ 210,433.51</u>	<u>\$ 202,658.59</u>	<u>\$ 96,823.36</u>	<u>\$ 224,410.72</u>	<u>\$ 6,774.71</u>	<u>\$ 278,730.03</u>

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

	Balance December 31, <u>2014</u>	Cash <u>Received</u>	Transferred To Grants <u>Receivable</u>	Balance December 31, <u>2015</u>
Green Meadows Farm	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00
Recycling Tonnage Grant	27,964.75	-	27,964.75	-
Drunk Driving Enforcement Fund	-	25,421.33	-	25,421.33
Bayshore Task Force Grant	-	5,000.00	-	5,000.00
	<u>\$ 73,964.75</u>	<u>\$ 76,421.33</u>	<u>\$ 73,964.75</u>	<u>\$ 76,421.33</u>

TRUST FUND

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**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>	<u>Open Space Trust Funds</u>
Balance, December 31, 2014	<u>\$ 29,808.00</u>	<u>\$ 2,687,072.21</u>	<u>\$ 1,374,459.81</u>
Increased By Receipts:			
Reserve for Animal Control			
Trust Fund Expenditures	31,152.62	-	-
Due to State of New Jersey	1,452.00	-	-
Due from Current Fund	-	29,093.46	226,801.00
Various Reserves	-	2,166,313.97	-
Reserve for Open Space	-	-	681.62
	<u>32,604.62</u>	<u>2,195,407.43</u>	<u>227,482.62</u>
	<u>62,412.62</u>	<u>4,882,479.64</u>	<u>1,601,942.43</u>
Decreased By Disbursements:			
Due to State of New Jersey	1,453.20	-	-
Animal Control Trust Fund			
Expenditures (R.S. 4:19-15.11)	35,332.62	-	-
Due to Current Fund	506.20	-	-
Reserve for Open Space	-	-	26,900.71
Various Reserves	-	2,205,276.82	-
	<u>37,292.02</u>	<u>2,205,276.82</u>	<u>26,900.71</u>
Balance, December 31, 2015	<u><u>\$ 25,120.60</u></u>	<u><u>\$ 2,677,202.82</u></u>	<u><u>\$ 1,575,041.72</u></u>

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

Balance, December 31, 2014		\$ 29,271.40
Increased By:		
Dog License Fees Collected	\$ 9,941.00	
Cat License Fees Collected	780.00	
Late Fees Collected	625.00	
Miscellaneous Fees Collected	2.20	
2015 Budget Appropriations	19,804.42	
		31,152.62
		60,424.02
Decreased By:		
Expenditures Per R.S. 4:19-15.11	35,332.62	
		35,332.62
Balance, December 31, 2015		\$ 25,091.40

License Fees Collected

2014	\$ 11,743.00
2013	13,810.60
	\$ 25,553.60

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 55.40
Increased By:	
Cash Receipts	<u>1,452.00</u>
	1,507.40
Decreased By:	
Cash Disbursed	<u>1,453.20</u>
Balance, December 31, 2015	<u><u>\$ 54.20</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 506.20
Decreased By:	
Cash Disbursed	<u>506.20</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
OPEN SPACE TRUST FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ -
Increased By:		
Open Space Tax Levy	\$ 226,674.40	
Open Space Added and Omitted Levy	<u>126.60</u>	
		<u>226,801.00</u>
		226,801.00
Decreased By:		
Cash Receipts		<u>226,801.00</u>
Balance, December 31, 2015		<u><u>\$ -</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 1,374,459.81
Increased By:		
Open Space Tax Levy	\$ 226,674.40	
Open Space Added and Omitted Levy	126.60	
Cash Receipts	681.62	
		227,482.62
		1,601,942.43
Decreased By:		
Cash Disbursements		26,900.71
Balance, December 31, 2015		\$ 1,575,041.72

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 29,093.46
Decreased By:	
Cash Receipts	<u>29,093.46</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2015</u>
Tax Title Lien Redemptions	\$ 41,015.42	\$ 600,187.04	\$ 560,416.20	\$ 80,786.26
Tax Sale Premiums	910,800.00	628,200.00	527,300.00	1,011,700.00
Law Enforcement Trust Fund	18,154.39	160.25	8,297.60	10,017.04
Recreation	197,389.70	94,276.93	216,109.54	75,557.09
Developers Escrow	1,032,759.05	293,959.90	380,384.06	946,334.89
Recycling Program	12,017.46	3.00	3.00	12,017.46
Donations - Memorial Tree Fund	9,824.45	-	-	9,824.45
Parking Offenses Adjudication Act	3,600.44	432.00	-	4,032.44
911 Disaster Fund	3,000.00	-	-	3,000.00
Affinity Credit Cards	15,958.23	-	-	15,958.23
Tree Replacement	44,000.00	-	185.00	43,815.00
Board of Health	8,165.28	-	-	8,165.28
LOSAP	2,749.34	-	-	2,749.34
Sidewalk Fund	5,400.00	-	-	5,400.00
Donations - Hazelt Township 150th Anniversary	1,514.62	-	-	1,514.62
Fireworks Display Donations	380.00	190.00	-	570.00
Public Defender	6,689.23	7,657.50	9,809.95	4,536.78
Police Unclaimed	1,415.60	-	-	1,415.60
Police Department Donations	24,346.18	4,770.91	19,091.64	10,025.45
Unemployment Compensation Insurance	57,763.36	17,527.03	9,739.22	65,551.17
Off Duty Police	102,879.26	495,749.41	470,215.61	128,413.06
Accumulated Absences	100,001.00	10,000.00	-	110,001.00
Grading Trust	200.00	1,150.00	1,350.00	-
Snow Removal	110,000.00	10,000.00	-	120,000.00
Municipal Alliance Donations	6,142.66	2,050.00	2,375.00	5,817.66
	<u>\$ 2,716,165.67</u>	<u>\$2,166,313.97</u>	<u>\$2,205,276.82</u>	<u>\$ 2,677,202.82</u>

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

Balance, December 31, 2014		\$ 296,870.69
Increased By:		
Township Contributions	\$ 15,000.00	
Appreciation on Investments	<u>4,409.01</u>	<u>19,409.01</u>
		316,279.70
Decreased By:		
Withdrawals	15,991.38	
Accounting Charges	<u>1,317.55</u>	<u>17,308.93</u>
Balance, December 31, 2015		<u><u>\$ 298,970.77</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF RESERVE FOR FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 296,870.69
Increased By:		
Township Contributions	\$ 15,000.00	
Appreciation on Investments	<u>4,409.01</u>	
		<u>19,409.01</u>
		316,279.70
Decreased By:		
Withdrawals	15,991.38	
Loss on Investments	<u>1,317.55</u>	
		<u>17,308.93</u>
Balance, December 31, 2015		<u><u>\$ 298,970.77</u></u>

GENERAL CAPITAL FUND

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**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 1,154,991.69
Increased By:		
Appropriated in 2015 Budget	\$ 37,346.43	
Reserve for Debt Service	503.53	
Budget Appropriations		
Deferred Charges to Future Taxation - Unfunded	217,150.00	
Capital Improvement Fund	<u>1,261,653.57</u>	
		<u>1,516,653.53</u>
		2,671,645.22
Decreased By:		
Appropriated to 2015 Budget Revenue	32,163.16	
Improvement Authorizations	<u>922,275.52</u>	
		<u>954,438.68</u>
Balance, December 31, 2015		<u><u>\$ 1,717,206.54</u></u>

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

	Balance December 31, <u>2015</u>
Capital Improvement Fund	\$ 105,724.92
Grants Receivable	(656,019.00)
Reserve for Joint Court Improvements	20,000.00
Reserve for Debt Service	503.53
Reserves for Encumbrances	1,047,446.50
<u>Ordinance</u>	
1273-03 Underground Storage Tank Remediation	\$ 16.50
1274-03 Improvements to Roller Rink	5,435.00
1361-06 Document Imaging/Scanning	20,237.10
1367-06 / 1448-08 Renovations to Police, Court, Recreation Center / Purchase Furniture for New Municipal Building	2,637.15
1375-06 Various Improvements	9,714.56
1391-07 / 1462-09 Roadway & Drainage Improvements to W Jack St & Library Improvements	11,786.47
1409-07 Various 2007 Road Improvements and Parkview Drive Sewer	153.35
1432-08 Acquisition of Pflieger Property for Open Space Preservation	(90,536.36)
1457-09 Various 2009 Capital Improvements	2,002.21
1478-10 / 1575-15 Various Capital Improvements	(65,714.27)
1490-11 Various Capital Improvements	18,704.90
1493-11 Various Municipal Park Improvements	21,670.98
1503-12 Police SUV's	(22,462.81)
1505-12 Various Capital Improvements	50,160.64
1506-12 Various Road Improvements & Various Park Improvements	47,509.98
1510-12 Replacement of Union Avenue Pedestrian Bridges	(79,716.56)
1528-13 Various Road Improvements & Various Park Improvements	62,500.00
1529-13 Acquisition & Installation of Communications and Technology Equipment	(67,982.22)
1535-14 Various Road & Park Improvements	71,041.00
1540-14 / 1570-15 Acquisition of Automotive Vehicle	41,758.14
1572-15 Various Road, Park & Building Improvements	635,634.83
1576-15 Improvements to Police Headquarters	105,000.00
1583-15 Acquisition of Public Works Vehicles	420,000.00
	<u>\$ 1,717,206.54</u>

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

Balance, December 31, 2014		\$ 5,585,439.00
Decreased By:		
Serial Bonds Paid	\$ 390,000.00	
M.C.I.A. Leases Paid	<u>12,289.78</u>	
		<u>402,289.78</u>
Balance, December 31, 2015		<u><u>\$ 5,183,149.22</u></u>

Analysis of Balance

Serial Bonds Principal		\$ 5,070,000.00
Green Acres Loans Principal		<u>113,149.22</u>
		<u><u>\$ 5,183,149.22</u></u>

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

Ordinance Number	Improvement Description	Balance	Current Year	Payments of	Settlement	Funded By	Balance	Bond	Unexpended
		December 31, 2014	Authorizations	BAN's	Receipts	Budget Appropriations	December 31, 2015	Anticipation Notes	Improvement Authorizations
1351-05	2005 Road Improvement Program	\$ 365,000.00	\$ -	\$ 30,000.00	\$ -	\$ -	\$ 335,000.00	\$ 335,000.00	\$ -
1375-06	Various Improvements	308,581.00	-	127,000.00	-	-	181,581.00	181,581.00	-
1409-07	Various 2007 Road Improvements & Parkview Drive Sewer	584,250.00	-	20,000.00	-	-	564,250.00	564,250.00	-
1432-08	Acquisition of Pileger Property for Open Space Preservation	136,950.00	-	-	-	45,650.00	91,300.00	-	763.64
1433-08	Various 2008 Capital Improvements	1,751,182.00	-	350,000.00	-	-	1,401,182.00	1,401,182.00	-
1457-09	Various 2009 Capital Improvements	848,790.00	-	30,000.00	-	-	818,790.00	818,790.00	-
1465-09	Acquisition of Various Capital Equipment	321,450.00	-	53,575.00	-	-	267,875.00	267,875.00	-
1478-10	Various 2010 Capital Improvements	107,000.00	-	-	-	21,500.00	85,500.00	-	19,785.73
1490-11	Various Capital Improvements	488,055.00	-	61,100.00	-	-	426,955.00	426,955.00	-
1503-12	Police SUV's	45,000.00	-	-	-	22,500.00	22,500.00	-	37.19
1505-12	Various Capital Improvements	243,000.00	-	39,000.00	-	-	204,000.00	204,000.00	-
1510-12	Replacement of Union Avenue Pedestrian Bridges	148,000.00	-	-	-	18,500.00	79,716.56	-	79,716.56
1529-13	Acquisition & Installation of Communications & Technology Equipment	102,000.00	-	-	-	34,000.00	68,000.00	-	17.78
1540-14	Acquisition of Information Technology Equipment	260,000.00	-	52,000.00	-	-	208,000.00	208,000.00	-
1575-15	Various Road, Park & Building Improvements	-	285,000.00	-	75,000.00	-	210,000.00	-	210,000.00
1576-15	Improvements to Police Headquarters	-	495,000.00	-	-	-	495,000.00	-	495,000.00
1583-15	Acquisition of Public Works Vehicles	-	-	-	-	-	-	-	-
1584-15	Refunding of General Obligation Bonds	-	4,600,000.00	-	-	-	4,600,000.00	-	4,600,000.00
		<u>\$ 5,709,258.00</u>	<u>\$ 5,380,000.00</u>	<u>\$ 762,675.00</u>	<u>\$ 75,000.00</u>	<u>\$ 142,150.00</u>	<u>\$ 10,059,649.56</u>	<u>\$ 4,407,633.00</u>	<u>\$ 5,631,412.22</u>
									<u>\$ 20,604.34</u>

Improvement Authorizations - Unfunded	\$ 5,238,098.14
Less: Unexpended Proceeds of Bond Anticipation Notes - Issued:	
1375-06	9,714.56
1409-07	153.35
1457-09	2,002.21
1490-11	18,704.90
1505-12	50,160.64
1540-14	41,758.14
1576-15	495,000.00
1584-15	4,600,000.00
	<u>\$ 20,604.34</u>

**TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF STATE, FEDERAL, AND LOCAL GRANTS RECEIVABLE
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 727,150.00
Increased By:	
Grant Awards	228,869.00
	956,019.00
Decreased By:	
Cancellation of Beers Street Grant Receivable	300,000.00
Balance, December 31, 2015	\$ 656,019.00

<u>Analysis of Balance</u>	<u>Ordinance Number</u>	
Monmouth County Open Space		
2008	1433-08	\$ 177,150.00
2015	1572-15	79,000.00
Monmouth County Community Development Blcok Grant	1572-15	149,869.00
N.J. Department of Transportation Laurel Avenue Phase II	1572-15	250,000.00
		\$ 656,019.00

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES - DEFICIT IN GRANT FUNDING
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 37,346.43
Decreased By:	
Appropriated in 2015 Budget	<u>37,346.43</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR JOINT COURT IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 20,000.00

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

Balance, December 31, 2014	\$ -
Increased By:	
Cancellation of MCIA Capital Lease Balance	<u>503.53</u>
Balance, December 31, 2015	<u><u>\$ 503.53</u></u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds of 2008	08/01/08	\$ 7,678,000.00	8/1/2016	\$ 390,000.00	4.375%	\$ 5,460,000.00	\$ 390,000.00	\$ 5,070,000.00
			8/1/2017	390,000.00	4.375%			
			8/1/2018	390,000.00	4.375%			
			8/1/2019	390,000.00	4.375%			
			8/1/2020	390,000.00	4.375%			
			8/1/2021	390,000.00	4.375%			
			8/1/2022	390,000.00	4.375%			
			8/1/2023	390,000.00	4.375%			
			8/1/2024	390,000.00	4.375%			
			8/1/2025	390,000.00	4.375%			
			8/1/2026	390,000.00	4.500%			
			8/1/2027	390,000.00	4.500%			
			8/1/2028	390,000.00	4.500%			
						<u>\$ 5,460,000.00</u>	<u>\$ 390,000.00</u>	<u>\$ 5,070,000.00</u>

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

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2014	Balance December 31, 2015
			Date	Amount			
Union Avenue Acquisition	12/28/2002	\$ 105,000.00	2015-2022	Various	2.00%	\$ 48,048.23	\$ 42,452.11
Union Avenue Acquisition	8/5/2005	132,000.00	2015-2025	Various	2.00%	77,390.77	70,697.11
						<u>\$ 125,439.00</u>	<u>\$ 113,149.22</u>
						<u>Decreased</u>	<u>\$ 12,289.78</u>

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

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2014	Increase	Decrease	Balance December 31, 2015
1351-05	2005 Road Improvement Program	8/1/2008	7/22/2015	6/22/2016	0.710%	\$ 365,000.00	\$ 335,000.00	\$ 365,000.00	\$ 335,000.00
1375-06	Various Improvements	8/3/2007	7/22/2015	6/22/2016	0.710%	308,581.00	181,581.00	308,581.00	181,581.00
1433-08	Various 2008 Capital Improvements	8/1/2008	7/22/2015	6/22/2016	0.710%	1,418,490.00	1,088,490.00	1,418,490.00	1,088,490.00
1433-08	Various 2008 Capital Improvements	7/29/2010	7/22/2015	6/22/2016	0.710%	332,692.00	312,692.00	332,692.00	312,692.00
1457-09	Various 2009 Capital Improvements	7/31/2009	7/22/2015	6/22/2016	0.710%	848,790.00	818,790.00	848,790.00	818,790.00
1465-09	Acquisition of Various Capital Equipment	7/31/2010	7/22/2015	6/22/2016	0.710%	321,450.00	267,875.00	321,450.00	267,875.00
1490-11	Various Capital Improvements	7/26/2011	7/22/2015	6/22/2016	0.710%	488,055.00	426,955.00	488,055.00	426,955.00
1409-07	Various 2007 Road Improvements & Parkview Drive Sewer	7/25/2012	7/22/2015	6/22/2016	0.710%	584,250.00	564,250.00	584,250.00	564,250.00
1505-12	Various Capital Improvements	7/23/2013	7/22/2015	6/22/2016	0.710%	243,000.00	204,000.00	243,000.00	204,000.00
1540-14	Various Capital Equipment	7/22/2014	7/22/2015	6/22/2016	0.710%	260,000.00	208,000.00	260,000.00	208,000.00
						<u>\$ 5,170,308.00</u>	<u>\$ 4,407,633.00</u>	<u>\$ 5,170,308.00</u>	<u>\$ 4,407,633.00</u>

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

Ordinance Number	Improvement Description	Balance December 31, 2014		2015 Authorizations	Transferred From Encumbrances Payable	Expended	Transferred To Encumbrances Payable	Cancelled	Balance December 31, 2015	
		Funded	Unfunded						Funded	Unfunded
1273-03	Underground Storage Tank Remediation	\$ 16.50	-	\$ -	-	\$ -	-	\$ -	16.50	\$ -
1274-03	Improvements to Roller Rink	5,435.00	-	-	-	-	-	-	5,435.00	-
1322-05	Construction of Municipal Building	-	-	-	40.50	-	40.50	-	-	-
1361-06	Document Imaging/Scanning	20,237.10	-	-	-	-	-	-	20,237.10	-
1367-06 /	Renovations to Police, Court, Recreation Center,	-	-	-	-	-	-	-	-	-
1448-08	Purchase Furniture for New Municipal Building	2,637.15	-	-	-	-	-	-	2,637.15	-
1375-06	Various Improvements	-	-	-	9,714.56	-	-	-	-	9,714.56
1391-07 /	Roadway & Rainage Improvements to	-	-	-	-	-	-	-	-	-
1462-09	W Jack St. & Library Improvements	11,786.47	-	-	-	-	-	-	11,786.47	-
1409-07	Various 2007 Road Improvements and Parkway Drive Sewer	-	-	-	153.35	-	-	-	-	153.35
1432-08	Acquisition of Pflieger Property for Open Space Preservation Purposes	-	-	-	763.64	-	-	-	-	763.64
1457-09	Various 2009 Capital Improvements	-	6,839.47	-	24,353.84	29,191.10	-	-	-	2,002.21
1465-09	Acquisition of Various Capital Equipment	-	-	-	8,219.65	8,219.65	-	-	-	-
1478-10 /	Various Capital Improvements	-	256.01	-	19,529.72	-	-	-	-	19,785.73
1490-11	Various Capital Improvements	-	-	-	18,704.90	-	-	-	-	18,704.90
1493-11	Various Municipal Park Improvements	23,970.98	-	-	20,757.43	20,757.43	2,300.00	-	21,670.98	-
1503-12	Police SUV's	-	37.19	-	-	-	-	-	-	37.19
1505-12	Various Capital Improvements	-	129,055.64	-	60,454.81	-	139,349.81	-	-	50,160.64
1506-12	Various Road Improvements & Various Park Improvements	23,964.45	-	-	23,545.53	-	-	-	47,509.98	-
1510-12	Replacement of Union Avenue Pedestrian Bridges	-	49,778.90	-	4.54	-	-	49,783.44	-	-
1528-13	Various Road Improvements & Various Park Improvements	324,473.22	-	-	51,497.25	44,084.72	269,385.75	-	62,500.00	-
1529-13	Acquisition & Installation of Communications and Technology Equipment	-	4,827.78	-	-	4,810.00	-	-	-	17.78
1530-13	Various Improvements to Township Owned Buildings	-	-	-	99,336.39	-	99,336.39	-	-	-
1540-14 /	Various Road & Park Improvements	71,041.00	-	-	256,408.45	256,408.45	-	-	71,041.00	-
1570-15	Acquisition of Automotive Vehicle	50,000.00	144,555.85	-	154,306.34	291,753.05	15,351.00	-	-	41,758.14
1545-14	Various Road Improvements	-	-	-	250,000.00	226,715.87	23,284.13	-	-	-
1572-15	Various Road, Park & Building Improvements	-	-	1,384,369.00	-	40,335.25	498,398.92	-	845,634.83	-
1576-15	Improvements to Police Headquarters	-	-	600,000.00	-	-	-	-	105,000.00	495,000.00
1583-15	Acquisition of Public Works Vehicles	-	-	420,000.00	-	-	-	-	420,000.00	-
1584-15	Refunding of General Obligation Bonds	-	-	4,600,000.00	-	-	-	-	-	4,600,000.00
		\$ 533,561.87	\$ 335,350.84	\$ 7,004,369.00	997,790.90	\$ 922,275.52	1,047,446.50	\$ 49,783.44	\$ 1,613,469.01	\$ 5,238,098.14

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBERANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 997,790.90
Increased By:	
Charged to Improvement Authorizations	<u>1,047,446.50</u>
	2,045,237.40
Decreased By:	
Transferred To Improvement Authorizations	<u>997,790.90</u>
Balance, December 31, 2015	<u><u>\$ 1,047,446.50</u></u>

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

Balance, December 31, 2014	\$ 539,571.35
Increased By:	
2015 Budget Appropriation	<u>1,261,653.57</u>
	1,801,224.92
Decreased By:	
Appropriated to Finance Improvement Authorizations	<u>1,695,500.00</u>
Balance, December 31, 2015	<u><u>\$ 105,724.92</u></u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2014</u>	<u>Improvement Authorizations</u>	<u>Settlement Receipts</u>	<u>Funded By Budget Appropriations</u>	<u>Cancelled</u>	<u>Balance December 31, 2015</u>
1432-08	Open Space Preseavtions	\$ 136,950.00	\$ -	\$ -	45,650.00	\$ -	\$ 91,300.00
1478-10	Various 2011 Capital Improvements	107,000.00	-	-	21,500.00	-	85,500.00
1503-12	Police SUV's	45,000.00	-	-	22,500.00	-	22,500.00
1510-12	Replacement of Union Avenue Pedestrian Bridges	148,000.00	-	-	18,500.00	49,783.44	79,716.56
1529-13	Acquisition & Installation of Communications & Technology Equipment	102,000.00	-	-	34,000.00	-	68,000.00
1575-15	Various Capital Improvements	-	285,000.00	75,000.00	-	-	210,000.00
1576-15	Improvements to Police Headquarters	-	495,000.00	-	-	-	495,000.00
1584-15	Refunding Bond Ordinance	-	4,600,000.00	-	-	-	4,600,000.00
		<u>\$ 538,950.00</u>	<u>\$ 5,380,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 142,150.00</u>	<u>\$ 49,783.44</u>	<u>\$ 5,652,016.56</u>

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SWIMMING POOL UTILITY FUND

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**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Operating	Capital
Balance, December 31, 2014	\$ 257,310.70	\$ 142,638.88
Increased By Receipts:		
Memberships Fees	\$ 317,610.00	-
Guest Membership Fees	69,594.00	-
Concession Revenue	2,000.00	-
Swimming Lessons	2,756.00	-
Swim Team Revenue	2,862.00	-
Use of Pool Facilities	9,450.00	-
Interest on Investments	309.46	-
Miscellaneous Revenue Not Anticipated	1,123.00	-
Bond Anticipation Note	-	69,500.00
Capital Improvement Fund	-	130,500.00
	405,704.46	200,000.00
Decreased By Disbursements:		
2015 Budget Appropriations	436,088.47	-
2014 Appropriation Reserves	1,290.97	-
Improvement Authorizations	-	236,179.56
	437,379.44	236,179.56
Balance, December 31, 2015	\$ 225,635.72	\$ 106,459.32

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF ACCRUED INTEREST ON NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Accrued Interest From Budget	<u>263.17</u>
Balance, December 31, 2015	<u>\$ 263.17</u>

**TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SWIMMING POOL UTILITY CAPITAL FUND
 SCHEDULE OF ANALYSIS OF SWIMMING POOL UTILITY CAPITAL CASH
 FOR THE YEAR ENDED DECEMBER 31, 2015**

		Balance December 31, <u>2015</u>
Capital Improvement Fund		\$ 13,100.00
Encumbrances Payable		131.41
<u>Ordinance</u>	<u>Improvement Authorizations</u>	
<u>Number</u>		
1537-14	Various Swim Pool Utility Improvements	17,485.91
1566-15	Improvements to the Hazlet Swim & Tennis Club	<u>75,742.00</u>
		<u>\$ 106,459.32</u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014	<u>\$ 1,428,897.53</u>
Detail:	
Municipal Swimming Pool	\$ 779,654.01
Site Improvements at Municipal Swimming Pool	136,094.58
Various Improvements at the Swim Club Facility	160,095.99
Improvement to Existing Building	50,000.00
Acquisition of a Four-Wheel Drive Truck	17,188.90
Ord. 1117-99 - Swim Club Renovations	78,750.00
Ord. 1142-00 Renovations to Swim and Tennis Club	78,364.05
Ord. 1204-01 Renovations to Swim and Tennis Club	78,750.00
Ord. 1352-05 Renovations to Swim and Tennis Club	<u>50,000.00</u>
	<u>\$ 1,428,897.53</u>

**TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SWIMMING POOL UTILITY OPERATING FUND
 SCHEDULE OF 2014 APPROPRIATION RESERVES
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014	Encumbrances	Balance After Modifications	Paid or Charged	Lapsed
Operating:					
Salaries and Wages	\$ 27,496.12	-	\$ 27,496.12	-	\$ 27,496.12
Other Expenses	<u>38,285.68</u>	<u>5,432.14</u>	<u>43,717.82</u>	<u>1,290.97</u>	<u>42,426.85</u>
Total Operating	<u>65,781.80</u>	<u>5,432.14</u>	<u>71,213.94</u>	<u>1,290.97</u>	<u>69,922.97</u>
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>3,344.12</u>	-	<u>3,344.12</u>	-	<u>3,344.12</u>
Total Swimming Pool Utility Fund Appropriations	<u>\$ 69,125.92</u>	<u>\$ 5,432.14</u>	<u>\$ 74,558.06</u>	<u>\$ 1,290.97</u>	<u>\$ 73,267.09</u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2014</u>	2015 <u>Authorizations</u>	Balance December 31, <u>2015</u>
1537-14	Various Swim Pool Utility Improvements	\$ 240,000.00	\$ -	\$ 240,000.00
1566-15	Improvements to the Hazlet Swim & Tennis Club	<u>-</u>	<u>200,000.00</u>	<u>200,000.00</u>
		<u>\$ 240,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 440,000.00</u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 5,432.14
Increased By:	
Transferred from Budget Appropriations	<u>10,609.31</u>
	16,041.45
Decreased By:	
Transferred to Appropriation Reserves	<u>5,432.14</u>
Balance, December 31, 2015	<u><u>\$ 10,609.31</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SWIMMING POOL UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2015

Ordinance Number	Improvement Description	Ordinance Amount	Balance December 31, 2014		2015 Authorizations	Transferred from Encumbrances Payable	Expended	Transferred to Encumbrances Payable	Balance December 31, 2015	
			Funded	Unfunded					Funded	Unfunded
1537-14	Various Swim Pool Utility Improvements	\$ 50,000.00	\$ 34,788.88	\$ -	\$ -	\$ 94,750.00	\$ 111,921.56	\$ 131.41	\$ 17,485.91	\$ -
1566-15	Improvements to the Hazlet Swim & Tennis Club	200,000.00	-	-	200,000.00	-	124,258.00	-	6,242.00	69,500.00
			\$ 34,788.88	\$ -	\$ 200,000.00	\$ 94,750.00	\$ 236,179.56	\$ 131.41	\$ 23,727.91	\$ 69,500.00

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 94,750.00
Increased By:	
Charged to Improvement Authorizations	<u>131.41</u>
	94,881.41
Decreased By:	
Transferred to Appropriation Reserves	<u>94,750.00</u>
Balance, December 31, 2015	<u><u>\$ 131.41</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 13,100.00
Increased By:	
Budget Appropriation	<u>130,500.00</u>
	143,600.00
Decreased By:	
Appropriation to Finance Improvement Authorizations	<u>130,500.00</u>
Balance, December 31, 2015	<u><u>\$ 13,100.00</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 1,428,897.53

**TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SWIMMING POOL UTILITY CAPITAL FUND
 SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	240,000.00
Increased By:		
Fixed Capital Authorized		130,500.00
Balance, December 31, 2015	\$	370,500.00

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	
1537-14	Various Swim Pool Utility Improvements	4/15/2014	\$ 240,000.00
1566-15	Improvements to the Hazlet Swim & Tennis Club	6/18/2015	130,500.00
			\$ 370,500.00

**TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SWIMMING POOL UTILITY CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Increase</u>	<u>Balance December 31, 2015</u>
1566-15	Improvements to the Hazlet Swim & Tennis Club	6/18/2015	6/18/2015	6/17/2016	.710%	\$ -	\$ 69,500.00	\$ 69,500.00
						\$ -	\$ 69,500.00	\$ 69,500.00

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SEWER UTILITY FUND

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**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Operating	Capital
Balance, December 31, 2014	\$ 3,992,924.74	\$ 677,081.53
Increased By Receipts:		
Consumer Accounts Receivable	\$ 3,743,354.10	-
Non-Budget Revenues	66,235.34	-
Customer Overpayments	8,707.99	-
Capital Improvement Fund	-	500,000.00
	3,818,297.43	500,000.00
Decreased By Disbursements:		
2015 Budget Appropriations	4,013,006.68	-
2014 Appropriation Reserves	57,884.12	-
Accrued Interest on Bonds	4,699.85	-
Improvement Authorizations	-	19,618.40
	4,075,590.65	19,618.40
Balance, December 31, 2015	\$ 3,735,631.52	\$ 1,157,463.13

**TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL CASH
 FOR THE YEAR ENDED DECEMBER 31, 2015**

		Balance December 31, <u>2015</u>
Capital Improvement Fund		\$ 750,000.00
Reserve for Improvements		115,311.84
Reserve for Encumbrances Payable		33,891.03
<u>Ordinance</u>	<u>Improvement Authorizations</u>	
<u>Number</u>		
1524-13	Various Sewer Utility Improvements:	113,887.26
1536-14	Various Sewer Utility Improvements:	<u>144,373.00</u>
		<u>\$ 1,157,463.13</u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 896,036.84
Increased By:		
Sewer Rents Levied		<u>3,897,789.21</u>
		4,793,826.05
Decreased By:		
Collections	\$ 3,743,354.10	
Overpayments Applied	8,573.79	
Billing Adjustments	<u>19,365.44</u>	
		<u>3,771,293.33</u>
Balance, December 31, 2015		<u><u>\$ 1,022,532.72</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF BAYSHORE SEWERAGE RENT RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 740,920.90
Increased By:	
Adjustment to Rent Reserve	<u>11,511.55</u>
Balance, December 31, 2015	<u><u>\$ 752,432.45</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER CUSTOMER OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 8,573.79
Increased By:	
Cash Receipts	<u>8,707.99</u>
	17,281.78
Decreased By:	
Applied to Consumer Accounts Receivable	<u>8,573.79</u>
Balance, December 31, 2015	<u><u>\$ 8,707.99</u></u>

**TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY OPERATING FUND
 SCHEDULE OF 2014 APPROPRIATION RESERVES
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014	<u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 59,435.14	\$ -	\$ 59,435.14	\$ 2,519.05	\$ 56,916.09
Other Expenses	<u>339,408.36</u>	<u>58,699.64</u>	<u>398,108.00</u>	<u>55,365.07</u>	<u>342,742.93</u>
Total Operating	<u>398,843.50</u>	<u>58,699.64</u>	<u>457,543.14</u>	<u>57,884.12</u>	<u>399,659.02</u>
Statutory Expenditures:					
Public Employees Retirement System	<u>8,385.67</u>	<u>-</u>	<u>8,385.67</u>	<u>-</u>	<u>8,385.67</u>
Total Swimming Pool Utility Fund Appropriations	<u>\$ 407,229.17</u>	<u>\$ 58,699.64</u>	<u>\$ 465,928.81</u>	<u>\$ 57,884.12</u>	<u>\$ 408,044.69</u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 58,699.64
Increased By:	
Charged to Budget Appropriations	<u>47,552.15</u>
	106,251.79
Decreased By:	
Applied to Appropriation Reserves	<u>58,699.64</u>
Balance, December 31, 2015	<u><u>\$ 47,552.15</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF DEBT SERVICE RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 9,400.00
Decreased By:	
Cancelled to Operations	<u>4,500.00</u>
Balance, December 31, 2015	<u>\$ 4,900.00</u>

**BOROUGH OF KEANSBURG
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY OPERATING FUND
 SCHEDULE OF ACCRUED INTEREST ON BONDS
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 1,958.47
Increased By:		
Budget Appropriations		4,700.00
		6,658.47
Decreased By:		
Cash Disbursed	\$ 4,699.85	
Cancelled	937.79	
		5,637.64
Balance, December 31, 2015		\$ 1,020.83

Analysis of Balance - December 31, 2015

	Outstanding December 31, <u>2015</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Serial Bonds:</u>						
	\$ 49,000.00	5.00%	8/1/2015	12/31/2015	150 days	\$ 1,020.83
						\$ 1,020.83

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Account</u>	<u>Balance December 31, 2015 & 2014</u>
Land	\$ 492,976.33
Buidlings	184,792.12
Pump Stations	588,748.43
Equipment	21,119.00
Furniture and Fixtures	100,142.67
Vehicles	57,981.25
Collection System	9,826,567.21
Collection - Storm Drains	205,064.92
	\$ 11,477,391.93

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015 & 2014</u>
1524-13	Various Sewer Utility Improvements:	\$ 650,000.00
1536-14	Various Sewer Utility Improvements	<u>500,000.00</u>
		<u><u>\$ 1,150,000.00</u></u>

**TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF SERIAL BONDS
 FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Outstanding December 31, 2014 Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
Pooled Governmental Loan Refunding Revenue Bonds	4/3/2006	\$ 410,000.00	08/01/16	\$ 49,000.00	5.00%	\$ 94,000.00	\$ 45,000.00	\$ 49,000.00
						<u>\$ 94,000.00</u>	<u>\$ 45,000.00</u>	<u>\$ 49,000.00</u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2015

Ordinance Number	Improvement Description	Ordinance Amount	Balance, December 31, 2014		Transferred from Encumbrances Payable	Expended	Transferred to Encumbrances Payable	Balance, December 31, 2015	
			Funded	Unfunded				Funded	Unfunded
1524-13	Various Sewer Utility Improvements	\$ 650,000.00	\$ 167,269.94	\$ -	\$ 54.75	\$ 19,546.40	\$ 33,891.03	\$ 113,887.26	\$ -
1536-14	Various Sewer Utility Improvements	500,000.00	144,445.00	-	-	72.00	-	144,373.00	-
			<u>\$ 311,714.94</u>	<u>\$ -</u>	<u>\$ 54.75</u>	<u>\$ 19,618.40</u>	<u>\$ 33,891.03</u>	<u>\$ 258,260.26</u>	<u>\$ -</u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 54.75
Increased By:	
Charged to Improvement Authorizations	<u>33,891.03</u>
	33,945.78
Decreased By:	
Transferred to Appropriation Reserves	<u>54.75</u>
Balance, December 31, 2015	<u><u>\$ 33,891.03</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 115,311.84

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 11,383,391.93
Increased By:	
Serial Bonds Payable	<u>45,000.00</u>
Balance, December 31, 2015	<u><u>\$ 11,428,391.93</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015 & 2014</u>
1524-13	Various Sewer Utility Improvements	\$ 650,000.00
1536-14	Various Sewer Utility Improvements	<u>500,000.00</u>
		<u><u>\$ 1,150,000.00</u></u>

**TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 250,000.00
Increased By:	
2015 Budget Appropriations	<u>500,000.00</u>
Balance, December 31, 2015	<u><u>\$ 750,000.00</u></u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
Land	\$ 40,891,490.00	\$ -	-	\$ 40,891,490.00
Land Improvements	740,001.00	-	-	740,001.00
Buildings & Improvements	7,080,387.39	-	-	7,080,387.39
Machinery & Equipment	<u>7,111,359.61</u>	<u>749,378.17</u>	<u>-</u>	<u>7,860,737.78</u>
	<u>\$ 55,823,238.00</u>	<u>\$ 749,378.17</u>	<u>\$ -</u>	<u>\$ 56,572,616.17</u>

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

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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The Honorable Mayor and Members
of the Township Council
Township of Hazlet
Hazlet, New Jersey 07730

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

Scope of Audit

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

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

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

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

GENERAL COMMENTS

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

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

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

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

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

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

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

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 for the period of January 1, 2015 to June 30, 2015 and in excess of \$6,000 for the period of July 1, 2015 to December 31, 2015, thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on February 4, 1997 adopted Ordinance No. 1043-97 authorizing interest to be charged on delinquent taxes:

“The Tax Collector is hereby authorized to charge 8% per annum on the first \$1,500 of taxes becoming delinquent after due date, and 18% per annum on any amount of taxes in excess of \$1,500 becoming delinquent after due date, and if a delinquency in excess of \$10,000 (tax and interest) remains in arrears beyond December 31, a penalty of 6% of the amount of delinquency shall be charged. No interest shall be charged if payment of any current tax installment is made within the tenth calendar day following the date upon which the tax installment became due, before 5:00 p.m.”

Tax Collector's Annual Report

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

Delinquent Taxes and Tax Title Liens

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

The last tax sale was held on December 7, 2015 and was complete.

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

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

YEAR	NUMBER OF LIENS
2015	10
2014	10
2013	10

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

Deductions From Taxes

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

Examination of Bills

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

Deposit of Funds Paid to Local Unit

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

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

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

Deposit of Funds Paid to Local Unit (continued)

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

No exceptions were noted during our testing.

Payroll Fund

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

Municipal Court

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample was selected of twenty (20) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Finance/Sewer Office

2015-01 **Finding:** During our testing of Sewer Receipts, we noted a lack of proper documentation and backup.

Recommendation: The Township implement proper controls over sewer receipts to ensure proper documentation and backup is retained.

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

2015-02 **Finding:** Interest on delinquent sewer charges is not being properly calculated in accordance with the Township's interest rate ordinance. The current Sewer Utility billing system cannot comply with this requirement.

Recommendation: The Township investigate the possibility of upgrading the current billing system in the Sewer Utility department so that interest can be correctly charged in accordance with the Township's ordinance.

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

Other Matters

Footnote Disclosure

2015-03 **Finding:** The Township did not complete the disclosures for Other Post-Employment Benefits (OPEB) as required by GASB 45.

Recommendation: The Township complete the required footnote disclosures for Other Post-Employment Benefits (OPEB) as required by GASB 45.

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

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. All prior year findings have been addressed and corrected in the current year, except for Finding No. 2015-02 & Finding No. 2015-03 noted above.

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	POSITION
Michael C. Sachs	Mayor
Scott Aagre	Deputy Mayor
James DiNardo	Committee Member
Susan Kiley	Committee Member
Barbara Ronchetti	Committee Member
Dennis Pino	Township Administrator
Thomas O'Hara	Chief Financial Officer / Tax Collector
Evelyn A. Grandi	Township Clerk
Michael Pugliese	Township Court Judge
Carol La Manna	Township Court Administrator
Marilyn Colas	Sewer Utility Collector

All employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Monmouth County Joint Insurance Fund.

There is a blanket bond for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000.00 for public employees. This bond is subject to deductibles based upon other required coverage.

Acknowledgment

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

June 21, 2016
Freehold, New Jersey